Post Report on Textile Industry (p. 13-21)

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The Nation's Business

Work and Marriage Both Hit by Taxes

Two most unfortunate effects of the tax schedules announced in the recent budget could surely have been avoided had more careful preparation been given. Both should be corrected at once while there is still time, before tax payments on the new scale start. As The Financial Post goes to press there are indications that Finance Minister Ilsley is reconsidering some parts of the budget. Here are two aspects that most certainly should be on his list.

The tax schedules work out in such a way as to discourage married women taking jobs, and to encourage some of them to leave jobs they now have. In view of the urgency of the nation-wide drive for more, and for more efficient use of, manpower and womanpower, the budget-makers blundered seriously on this point.

Secondly, the new tax schedules discourage people marrying and they certainly discourage people from having children. If they do have children, it encourages them to have few.

It used to be that the big family was prized as a national asset, as a measure of good citizenship. Not the way these budget-makers have fixed it!

Already, The Financial Post is informed, some married women are leaving their jobs in war plants because they have figured out that under the new schedules, their labor represents no gain whatever to the family income. Employers would do well to point out in such cases that the new taxes are not yet in effect, that women should do nothing before September. By that time the situation may be very different.

In an article elsewhere in this issue, The Post illustrates how this works out. Assume a husband earns $1,200 a year; that his wife earns around $21.25 per week. Under the new tax schedule, she can work for 31 weeks of the year to the advantage of the family income. For the other 21 weeks of the year, she will be working for nothing. The increased family taxes will completely consume her earnings of those other weeks.

Or look at it another way. Husband earns $1,200; wife $660. Total family tax is $13.20. But assume the wife works all year at a wage more typical of war industry. If she earns $1,104.76, the total family tax goes up to $457.96.

The woman's gross income has risen $444.76. The family's taxes have risen $444.76. Net gain, nil. The fact that a part of these taxes would be refundable is relatively unimportant in meeting the immediate need of getting an adequate and reliable working force.

Married women are urgently needed both in war jobs and to relieve others for war work. Employers tell The Post that usually married women comprise the steadiest, most reliable group in a plant. To do the size of war job that Canada plans and which the cause of victory demands, it is ridiculous for the government to deter women from helping in the national effort; or for the government to encourage them to work only a part of the year after which their labor will be completely unrewarded.

The government ought to take into consideration too, the fact that whatever a wife earns is not all profit to the family income. Going to work causes her to spend more, perhaps on clothes, certainly on car fare. The family food bill is almost certain to be considerably higher. And there are the other very definite but non-monetary costs of deferred family raising, decreased home comforts and for some, lessened social prestige.

* * *

DISCOURAGING FAMILY RAISING

Though the budget-makers had a tremendous money-raising problem, it is unfortunate now, and especially unfortunate for the future of this country that, even temporarily, a principle of taxation should be established which is definitely hostile to traditional characteristics of good citizenship.

The new tax schedules let the bachelor off very lightly. They discourage the sizeable family and encourage the childless or few children marriages in the income brackets which produce a very valuable and active segment of Canadian life.

As one example take the percentage increase in the tax for the yearly income of $4,000. For the bachelor, the increase is 33.4%; for the childless married, 42.9%; for the one child family, 47.1%; for the two child family, 48.5%; for the three child family, 48.7%; and for the four child family, 82.8%. These computations exclude the refundable portion of the tax so that the wartime pressure is even greater.

More examples are shown in a table on page four. The case cited above is the most striking.

But the strength of Canada has been and will be in the strength and health of its family life. The future of this country depends on the men and women who undertake the sacrifices and burdens of parenthood; who sacrifice today to pay the costs of educating children who will become the executives, the lawyers, the doctors, the educators and leaders of tomorrow.

Today's national money needs are great. Taxes like today's need be—and must be—only temporary. But a principle of taxation which strikes at family life and at sound growth of Canada's population is an incredible blunder and must not be tolerated.

* * *

NO MORE MILLIONAIRES

It is now a practical impossibility for any individual Canadian to become a millionaire. In former decades, the man with an income of $50,000 a year was rated a millionaire, that representing a 5% yield on $1 million.

Take his position today. His taxes AFTER deducting the forced saving which will be returned to him after the war are $33,137. That leaves him $16,863. Assume that his life insurance payments, cost of educating his family, cost of living, etc. consumes another $10,000. For the man whose income has been $50,000 for some years, and who fulfils his many other responsibilities, this is a very modest rate of spending. That leaves him $6,863 per year to save and invest.

Assume that he is unusually fortunate in his investments and that year after year he is able to get a return of 5% on his total savings and that he never has any losses. About 3% of that return will be eaten up yearly in taxes. That leaves him 2% net on his yearly earnings.

How long will it take him to save $1 million? The answer is 68.2 years.

Since hardly any man will ever have just that good investment luck, since hardly anybody will continue, year after year, to have such an income or such savings, and since it is hardly likely that anyone will ever have a business life of so many years, the probability of any man becoming a millionaire on this basis is so infinitesimal as to be practically negligible.

Those are only a few mathematical aspects of millionairedom in 1942. They are very pertinent considerations for Canadians who believe our national life is enriched by institutions like hospitals, rest homes, symphony orchestras, art galleries and other manifestations that a society is concerned, in addition to its belly, with other things.

To wage and win the war, people of wealth are paying an enormous share. What lamentation there is about the most recent tax levies is not coming from them.

Such tax burdens must not, however, be continued after victory is achieved. With a young and growing economy like Canada's, the only way we can establish new businesses, create new jobs, is through the accumulation of capital for private investment.

Stamp Tax Revision to Widen?

Ilsley Admits Nuisance Tax is Major Headache —Flopped in Last War

By STAFF WRITER

OTTAWA.—Public admission by Hon. J. L. Ilsley, Minister of Finance, that the retail "nuisance" luxury taxes on jewellery, glassware, leather goods, fountain pens, ashtrays, etc., has been a "headache" and "more trouble than any of the others" is thought here to be the forerunner to one of the nastiest administrative problems Ottawa has stuck its head into in many a day.

In announcing that the tax on three groups of luxury goods would be shifted from the retail to the manufacturing level and that for the others, stamps should be placed on the merchant's daily sales recapitulation rather than on indivi-

(Continued on page 2, col. 3)

Dominion To Aid Granby Step-up

By STAFF WRITER

OTTAWA.—By an order-in-council passed here a few days ago, an expansion of the Granby mine of Granby Consolidated Mining, Smelting & Power Co. by 10% or approximately 3.7 million lb. of copper a year, has been approved by the government.

A sum not to exceed $200,000 is to be advanced by the government to the company to enable it to proceed with the purchase and installation of machinery to bring about the increased production.

This advance is made pending completion of negotiations whereby Metals Reserve Co., U. S. stockpiling organization, will finance the opening up of new Canadian base metal mining properties and the expansion of existing Canadian production so as to increase Canada's supply of base metals available for U. S. requirements.

Less Meat For Canada's Larder

Normally a month in which Canada raids its refrigerator, June, 1942, saw a drop in cold storage holdings of 18.2 million lb. against 8 millions last year, pork dropping 16.6 million lb. and beef 1.2 million. With 26.4% less butter in storage, the only favorable items were cheese and eggs; 84.2% more cheese and 64.8% more eggs. Neither of these hold much hope for the Canadian consumer, both being largely earmarked for Britain. Actually, Canada had fewer eggs in hand at June 30 than at the beginning of the month.

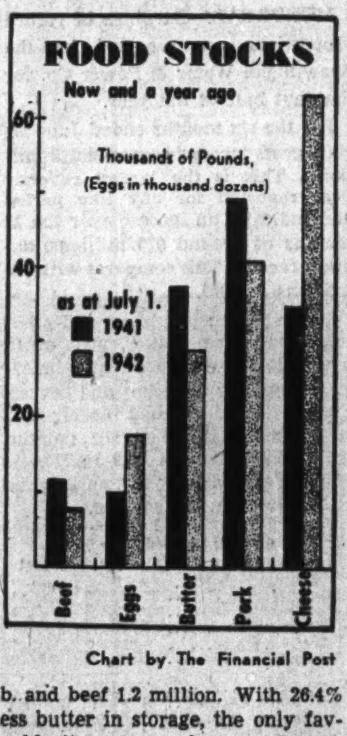
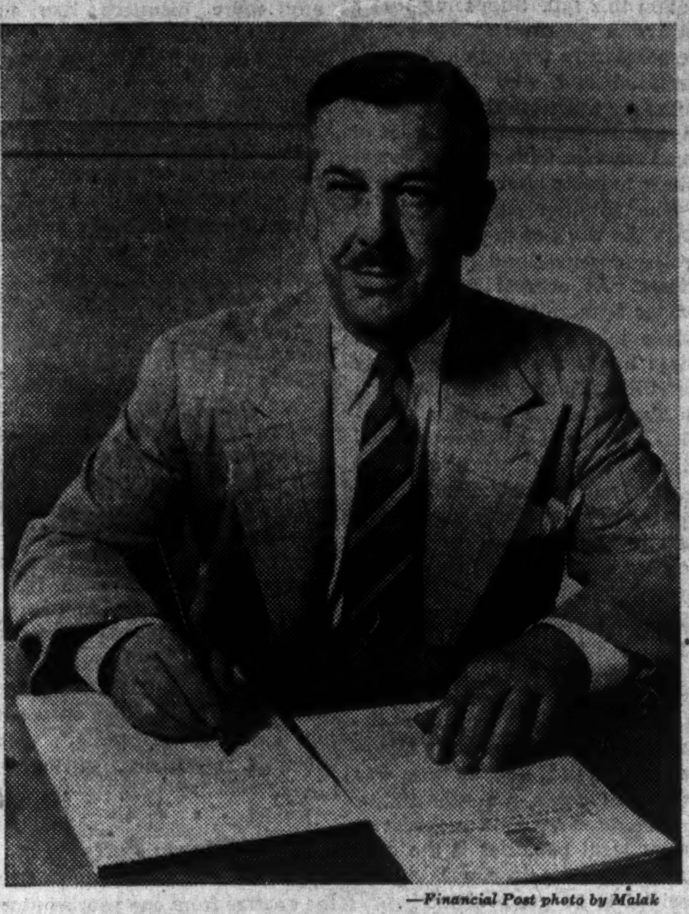


Chart by The Financial Post

Has No. 1 Priorities Job



—Financial Post photo by Malak

Routing materials to where they will make the greatest contribution to the war effort is the important job of W. E. Uren, priorities officer of the Wartime Industries Control Board. In his hands is complete control of the Canadian priorities system, which he is now smoothly meshing with the setup in his native United States. A personal sketch of Mr. Uren appears on page six.

Manpower Crisis Brings Showdown Closer

By KENNETH R. WILSON

OTTAWA. — Canada's impending manpower crisis has taken some alarming new turns in recent days.

Before a local service club, Elliott M. Little, director of National Selective Service, placed Canada's manpower needs for war industry and the armed services at over 250,000 in the next five months.

In some quarters it is suggested that Hon. J. L. Ralston would not be averse to having an immediate manpower showdown on his present army programme. This would obviously be very satisfactory ground on which to bring the conscription issue to a head—much more satisfactory than the issue raised last week in the House when Prime Minister King almost defiantly challenged the conscriptionist members of his cabinet by injecting a last minute "vote of confidence" commitment into his final speech on second reading of Bill 80.

For many hours after the King bombshell, it was touch and go as to whether the long-expected cabinet bust-up would come there and then. The final decision was apparently to continue the somewhat precarious support which has been given Mr. King in recent weeks, and await a more opportune time to have the final reckoning.

Hence if the Little speech may be taken as forecasting as vast a call-up of trainees as seems to be indicated, then it may well be that the manpower crisis may coincide with a political crisis, possibly with a break-up of the present King administration.

Analyzed against the estimated monthly "take" of war industry (placed by Hon. C. D. Howe at about 12,000 a month) and the current rate of voluntary enlistment (10,000 a month) the Little statement indicates that Hon. J. L. Ralston intends to draft upward of 25,000 men a month into the army between now and the year-end.

This would mean a continuance of the peak rate announced recently for the September draft and would be five times the earlier suggested figure of 5,000 men monthly.

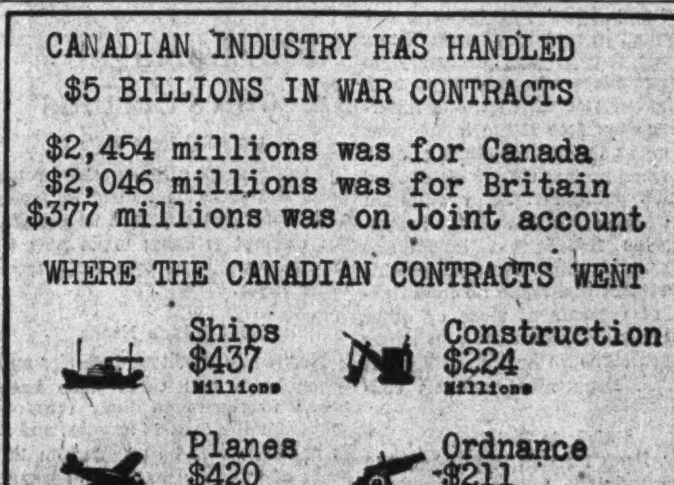
The approximate breakdown of the Little estimate would appear, therefore, to be as follows:

Manpower Needs to Dec., 1942	
War Industry	60,000
Voluntary Enlistment	50,000
Women Volunteers in Armed Services	15,000
Draftees under NRMA	125,000
Total	250,000

This 250,000 requirement leaves out of consideration the pressing needs for agricultural workers to harvest the bumper crops now growing in all parts of Canada. The official attitude of the Minister of Agriculture on this matter was strikingly expressed this week when he told the opening session of a two-day Dominion-Provincial butter conference that all available labor for agriculture is now on the farms and that there was no available labor surplus from which agriculture could expect to draw.

Crisis Soon

Calling up 25,000 draftees a month between now and December would undoubtedly bring the manpower shortage to a sudden head in the view of most observers here.



CANADIAN INDUSTRY HAS HANDLED
$5 BILLIONS IN WAR CONTRACTS

$2,454 millions was for Canada
$2,046 millions was for Britain
$377 millions was on Joint account

WHERE THE CANADIAN CONTRACTS WENT

Chart by The Financial Post

New Taxes Hit Women Workers

Employers Say Budget Provisions Aggravate Labor Shortage as Some Leaving Jobs

Many married women have quit work in Canada since the new budget came down, according to reports reaching The Financial Post. Some, giving notice, said they were leaving because of taxes, and explained that if they earned more than $660 they would be working part of the year for nothing.

There is a strong conviction among employers that the provisions relating to the taxation of married persons will have to be changed if the labor shortage is not to be made more acute. As these provisions stand, if a woman earns more than $660 her husband loses the exemptions he gets as a married man, and her own income becomes taxable.

A married woman earning $21.24 a week reaches the figure of $660 in 31 weeks. If she works the other 21 weeks of the year, she earns $444.76 more, a total of $1,104.76.

If her husband is earning $1,200 a year, the $444.76 is the identical sum by which the taxes of herself and her husband increase. The last five months work nets the couple exactly zero. Here is how it works out:

TAX CHANGES FOR WORKING COUPLE
Husband earns $1,200 a year
Wife earns $21.24 weekly

(A) If Wife Works 31 Weeks		
Gross income		
Husband	$1,200.00	
Wife	660.00	
		$1,860.00
Less taxes		
Husband	$13.20	
Wife	nil	
		$13.20
Net income		$1,846.80
(B) If Wife Works 52 Weeks		
Gross income		
Husband	$1,200.00	
Wife	1,104.76	
		$2,304.76
Less taxes		
Husband	$247.20	
Wife	210.76	
		$457.96
Net income		$1,846.80

But such figures do not tell the whole story. For, as every one who has had the experience

(Continued on page 2, col. 2)

New Priorities Plan Takes Effect July 31

"PRP" Puts U. S. and Canadian Industry on Identical Footing — All Orders Labelled According to Use Regardless of Origin

By KENNETH R. WILSON

OTTAWA.—All prime contractors or major users of raw metals in Canada must conform to the U. S. Production Requirements Plan (PRP) as at midnight, July 31, The Financial Post is informed by W. E. Uren, Priorities Officer of the Department of Munitions and Supply. This new deadline supplants the earlier attempt to make PRP mandatory in Canada as at July 1.

Already, some 500 contractors in Canada are operating under PRP. It is expected that between 1,500 and 2,000 will be included in the new order which makes PRP mandatory for manufacturers who use $5,000 or more of raw metals quarterly. Some important groups (transportation, communication, construction, mining, the petroleum industry, public utility services, distributors) will carry on with existing procedure. (i.e. "P" orders).

Most Important

The switch to PRP and the adoption last week by Canada of the Allocation Classification System is by far the most important step yet taken by Canada to link our war production machinery with that of the U. S. It will have far-reaching ramifications in terms of war supply; in the integration of the war programmes of the armed services; in the restriction of civilian industry and of new or existing war plant extensions. Once the system is in full operation it will probably be found necessary to limit new war plant construction in Canada and also further restrict civilian industry.

Under the new plan there will be no Canadian designation for orders placed in Canada by the Canadian Army the Canadian Navy the R. C. A. F. or British account. All war orders placed in Canada under the new system, whether requiring U. S. components or not, will henceforth be given code symbols which are to be universal on this continent, namely USA for R. C. A. F., Canadian or U. S. Army contracts; USN for Canadian or U. S. Navy or Wartime Merchant Shipping and the U. S. Maritime Commission. Thus a manufacturer in Wisconsin or Winnipeg will be unable to tell the difference between orders placed in Canada for the Canadian Army or the R. C. A. F. (or in Canada for British account) and those placed by the U. S. Army. All will be marked with the same symbol "USA." Navy and shipping orders will all be marked "USN."

Purpose of this feature is to remove any possibility of discrimination against orders placed in this country and which require metals, components, sub-assemblies or other materials from the U. S. A.

At present, PRP will be mandatory only for the major users of raw metals. But all Canadian manufacturers, suppliers and distributors, were required (as at July 10) to adopt the new Allocations Classification System which are an integral part of the new programme.

"End Use" is Key

This system is the "end use code," the foundation on which the PRP system works.

The system applies to all purchase orders or contracts placed in Canada above the retail level (whether civilian or war). It became mandatory in the United States on June 30 and in Canada on July 10. It is to be used henceforth by all Canadian business firms whether or not they are required to operate under PRP.

Basic purpose of the new programme is to control effectively the supply of raw metals on the North American continent for war purposes. War goods, for the most part, are made of metal and there is only so much zinc, copper, lead, steel, iron, etc. in the metals "pie." Under the old priority system firms were given a priority rating to pieces of pie that didn't exist. When an A1-J rating (for example) didn't get its holder any "pie," he got it raised

(Continued on page 2, col. 2)

Nail Shortage Gets Serious

Delays Building Jobs, Worries Furniture Makers

So serious has Canada's nail shortage become that it recently halted three large government projects in British Columbia. It was necessary for H. H. Foreman, administrator of fabricated steel and non-ferrous metals, to enter the picture and help the contractors get nails to go on with, The Financial Post was informed.

This incident has brought the situation to a head and will probably be followed by drastic steps to conserve supplies and allot them on a strict priority basis. At the same time, efforts are being made to give nail factories more steel so they can increase production.

B. C. is not the only part of Canada where building jobs have been delayed when nails ran out.

Furniture manufacturers have only enough nails on hand for a short period and will have to close if their requirements can't be filled, officials say, and many hardware dealers are scraping the bottoms of their nail barrels.

Some dealers still have large stocks. As yet, there's no talk of calling these stocks in, although this course is a possibility in the future, if the scarcity grows worse.

Reasons For Shortage

There are two underlying reasons for the shortage. First is a big increase in demand, with thousands of tons of nails going into temporary wartime buildings, housing projects in industrial centres, airplane hangars, military camps, concentration camps, boxes for shipping supplies overseas. With restrictions on the use of metal containers more boxes are being used for food. That means more nails.

The second reason is our expanding shipbuilding programme, which is taking more and more steel plates. Of the total steel available, so much is going to plate mills that the rod mills are unable to operate at capacity. It is the rod mills which produce material for the wire mills.

Output of the wire mills goes in-

(Continued on page 2, col. 4)

To Base Taxes On Regular Pay

By STAFF WRITER

OTTAWA. — Income tax deductions at the source will be made only on the basis of the wages or salary paid by the employer and not on the basis of total remuneration which the employee received, according to income tax officials.

When employers receive their table of deductions indicating the amount the government expects them to collect from each employee, this deduction will not make allowance for any personal income the employee may be receiving. It will be the responsibility of each individual taxpayer to look after his taxes on personal income apart from the money he receives from his chief employer. The definition of employer will probably be governed by whether or not an individual receives 75% or more of his income from the one employer.

Although the principle of a "table of deductions" to be available for each employer prior to Sept. 1 still holds, detailed study is being given to the whole complex question of income tax deductions at the source, The Financial Post is informed.

Press reports that taxpayers are to be required to pay their fixed tax, plus one third of minimum saving requirements, are said to be inaccurate in that they refer only to certain individual cases in the "table of deduction" rather than to the pattern of deductions as a whole.

One of the very troublesome problems at the present time is the question of how to treat the credit for National Defense tax which will have already been paid prior to Sept. 1. Just what the final pattern of deductions will be is still in doubt The Post is informed.

It's Your MONEY

- - - that is being spent to maintain and operate the Trent and Rideau canal systems for owners of pleasure craft who can well afford to pay for the service rendered.

Total expenditure on these canals since they were built is $45.6 millions. Total revenue: $3.2 millions. There are 408 miles of waterway in the two systems, one of which is 5 ft. draught, the other 6 ft.

Last annual report of the Department of Transport (1941) says traffic on the Trent system was "the lightest since through traffic was made possible in 1918" and that on the Rideau canal "the number of pleasure craft lockages was the largest on record."

The public accounts show total expenditure on these two systems in 1940-41 was $419,940 including $45,275 for improvements. Total revenue was just over $100,000 leaving $320,000 to come out of the public treasury.

The Myth of the 'Have-not' Nations

Stolper Blasts the Keystone of Fascist Propaganda

By GUSTAV STOLPER

With his inimitable art of combining senseless words that appeal to deeply rooted emotions and repeating them so often that eventually they sound convincing, Adolf Hitler has formulated the meaning of this war as follows:

> It is a struggle of two worlds.
>
> Forty-six million English rule and govern a total territory of roughly 40 million square kilometers (1 kilometer equals .366 miles) in this world.
>
> Forty-five million Italians have an area of utilizable land of hardly half a million square kilometers.
>
> Eighty-five million Germans have a living space of hardly 600,000 square kilometers, and this only through their own initiative.

For years Fascist and Communist propaganda has hammered this distinction between nations into the minds of our time. So effectively has it been done that many have finally succumbed to the onslaught on their intellect and take this distinction for granted. Men without number are dying today for this fable of the "haves" and "have-nots."

Figures to Suit

Hitler classifies the "haves" primarily in square miles. Note his neat little trick of giving the area of the "total" territory the English "rule and govern," but when it comes to the Italians he speaks merely of the area of "utilizable land." This is much more impressive, because in terms of square kilometers Italy is definitely a "have" nation. The total Italian Empire covers no less than 3,500,000 square kilometers, almost one half the area of the United States. If we compare, however, the "utilizable" area alone, then the British figure would shrink so substantially that it would lose a considerable part of its propagandist effect.

Let us look at the meaning of these figures. One sixth of the globe belongs to Soviet Russia. Her area is far greater than that of the United States. Russia has a living-space of immeasurable vastness. Is Russia a "have" or a "have-not"? Measured by square miles she is the Croesus of all nations.

Big But Poor!

And there is China, covering before the Japanese assault almost 12 million square kilometers, a "have" nation par excellence by Hitler's standard. We know how the Chinese live. Even before the war, millions were dying from famine almost every year and those who survived lived in abject poverty.

Or there is Brazil. The country covers 8.5 million square kilometers, a territory larger than the

(Continued on page 4)

The Financial Post presents the third of a series of eight articles from Dr. Gustav Stolper's major work—"This Age of Fable."

A 1933 refugee from Hitler's Germany, Dr. Stolper is now serving in New York as an economic consultant. His background as correspondent for the "Economist," editor of an economic weekly, member of the Reichstag and representative to the League of Nations has made him a leading authority in his present work.

In the accompanying article, Dr. Stolper explodes the myth of the "have-not" nations, keystone of Fascist propaganda.

Hat News FROM EATON'S

New Shipment! Famous Christy ROLLAWAY

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Each 7.50

Main Store— Air-Cooled Main Floor.

T. EATON Co LIMITED TORONTO CANADA

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New Joint Priorities Plan To Take Effect on July 31

(Continued from page 1)

or inflated to a higher category. The result was a priority "inflation" which led ultimately to confusion and non-delivery of goods.

The new approach is:

(1) To have every business contract or purchase order in Canada and the U. S., marked with uniform symbols classified according to "end use."

(2) To allocate available supplies of raw metals among the prime contractors and other users on the basis of "projected" production requirements.

The PRP system works on a quarterly basis. Under it, contractors are required to state their "projected" requirements for the following three-month period together with their use of raw metals or materials in the previous quarter. Since most firms in Canada will not be required to conform to PRP on a mandatory basis until August 1, they will operate only partially on the system during the third quarter of 1942. It is hoped that the system will begin to function reasonably smoothly on a North American basis during the fourth quarter of 1942.

Once the plan begins to operate effectively in Canada it is probable that it will lead to a revision of the Canadian war programme and possibly to curtailment of new expansion projects now under way or in contemplation. This is because for the first time, it is hoped to have a realistic system of allocating war contracts in relation to available supplies of raw metals.

The new Allocation Classification System which went into effect in Canada on July 10 follows almost word for word the corresponding plan adopted by the U. S. on June 30. It forms the foundation on which PRP can operate by providing exact information as to the "end use' 'to which materials are being put. This in turn permits departmental officials to determine the essentiality of a company's operations and assist in the allocation of raw metals and materials.

As described in Priorities Officer Order No. 1 (issued at Ottawa July 10), intelligent allocation demands a subdivision of war, industrial and civilian programmes for which materials are required. This means knowing whether the materials are going into tanks, destroyers, railways, office machinery, etc., and what type of purchaser will eventually receive the product (i.e., the Army, Navy, etc.). Thus all business contracts will now be subject to a dual classification system. This comprises:

(a) A duo-decimal number system (Allocation Classification) to designate the particular kind of product for which material ordered will be used.

For example: the allocation symbol for all military products range from 1 to 7; industrial and civilian symbols from 8 to 23. Each number is divided in turn into decimal classifiactions, viz: the manufacturer of tanks places the symbol 3.10 on all his purchase orders; truck manufacturers use 10.20; railroads 10.10; wearing apparel 15.00, etc.

It is emphasized that the symbol numbers have no relative importance, i.e., they indicate no priority rating in themselves.

(b) Purchasers' Symbols (in the form of letters) to indicate the general type of purchaser to whom delivery will be made.

These symbols are as follows:

The Army and R.C.A.F.	**USA**
The Navy (incl. Wartime Merchant Shipping and U. S. Maritimes Commission)	**USN**
Lend-Lease	**LL**
Other Foreign Purchasers	**FP**
Domestic Purchasers	**DP**

Under this system of purchasers symbols, the War Production Board of the United States will make no distinction in the allocation of U. S. supplies as between Canadian and U. S. armed services.

Anyone placing a purchase order or contract except for any of the Armed services, lend-lease, or a "foreign" government is required to indicate the Domestic Purchaser's symbol DP.

Presumably all purchase orders or contracts placed direct by the British Government and not through Department of Munitions and Supply at Ottawa are designated FP (Foreign Purchaser).

The new order applies to all contracts or purchase orders placed after July 10 and also to any orders calling for delivery after July 31, 1942.

Application of the new system, so far as Canada is concerned, is closely tied to the check being made here of the control measures which have been introduced for curtailment of civilian and non-essential production. As reported in last week's Post, a U. S. priority official has been making a close scrutiny of all Canadian control measures to see that they obtain the same "end result" as corresponding orders in the U. S.

So long as this conformity is maintained it is thought likely that from now on, Canadian suppliers and manufacturers of civilian and non-essential goods will be in the same position as those in the United States. In some cases this will mean more drastic restriction on Canadian production than has heretofore been the case.

New Taxes Hit Women Worker

(Continued from page 1)

knows, a couple's expenses increase when the wife takes a job.

These figures might not apply in all cases, but a man whose wife was working until recently gave The Financial Post an estimate of what it costs for a wife to work. In this case the husband earned $2,500 a year, the wife $1,000.

To maintain living standards it was found necessary to hire a part-time girl. Still at school, this girl's wages were $4 a week.

Net result of the arrangement was out-of-pocket expenditure averaging $12 a week, as follows:

COST OF HAVING WIFE WORK	
Part-time maid	$ 4.00
Wife's lunches, carfare, more stockings, etc.	5.00
Extra cost to husband, eating out at night, waste of food, etc., through maid's carelessness, maid's meals	2.50
Extra laundry costs—shirts finished instead of rough dry, etc.	.50
Estimated extra costs per week	$12.00

This means that the wife must earn at least $50 a month to meet cost of working.

At present tax rates, the husband reckons that the value of his wife's work would now be $53 a year, as follows:

TOTAL COST OF WIFE WORKING	
"Operating" costs	$ 600
Increase in Taxes:	
Husband	175
Wife	172
	$ 947
Wife' gross income	$1,000
Net earnings of wife	$ 53

New Management Committees Set Up by C. M. A.

At the request of Elliott M. Little, director of National Selective Service, the Canadian Manufacturers' Association has set up subcommittees to act in an advisory capacity to Mr. Little in the working out of the labor-management principle in business.

This step is an extension of the resolution passed at the C.M.A. annual convention a month ago recommending that full co-operation between employers and employees be developed in the manner best suited to individual concerns. At the convention, Mr. Little strongly championed the labor-management principle and since that time has been consulting various groups of manufacturers in connection with its working out.

Stamp Tax Revision to Widen

(Continued from page 1)

dual sales checks, Mr. Ilsley admitted:

> ". . . that the difficulties of imposing a tax at retailers' level are so great that we should assume some difficulties particularly in fairly fast-moving lines, rather than plunge ourselves into the terrible administrative difficulties of trying to collect taxes at the retailer's level."

Last War Fizzle

What puzzles many people in Ottawa is how Mr. Ilsley should have embarked on a retail nuisance tax of the sort which proved an absolute fizzle in the last war and was finally rescinded by Order-in-Council after a few months of insurmountable difficulties.

In the House of Commons, this week Mr. Ilsley put forward one argument in support of a retail tax, namely that it was necessary to catch retailers who stocked up with big inventories which would otherwise go tax free if the impost was put on at the manufacturing level. But when he was closely questioned on this point, Mr. Ilsley admitted he had no factual knowledge to support his belief that inventories were unduly high. He admitted his department had made no investigation of department store or other store stocks to determine whether inventories were in fact as high as Finance Department officials contend.

Unfair to Retailers

Mr. Ilsley's action in persisting in these nuisance taxes is especially hard to understand at a time when the government is doing everything possible to win support from retailers, first in respect of co-operative support under the price ceiling and second, in regard to the nation-wide campaign to sell war savings stamps over the retail counter.

The National War Finance Committee recently dined a group of leading merchants with Mr. Ilsley as key speaker urging them to get behind a campaign to sell $60 millions of war stamps to housewives and wage earners. Later, these merchants spoke freely and bitterly to Mr. Ilsley against these nuisance taxes as an especially unfair burden not only from an administrative point of view but also on the honest retailer who keeps accounts and who is scrupulous in his attempt to collect and pass on the tax to the government.

It was the untold hardship to honest merchants which was largely responsible for forcing the Great War nuisance taxes into limbo in 1920. It is estimated that somewhere between 30,000 and 50,000 merchants will be involved in collecting the new taxes which will bring not more than $5.8 millions into the federal treasury in the present fiscal year and only $7.5 millions in a full fiscal period.

The specific changes submitted to parliament this week by Mr. Ilsley called for wiping out the retail luxury tax of 25% on trunks, leather goods, purses, etc., ash trays, smokers' accessories; fountain pens, desk sets, pencils, etc.; and imposing on these items a manufacturers' tax of 35%. It was stated that the net result of this tax would be something less (at retail) than the 25% previously proposed.

In addition, Mr. Ilsley suggested a change whereby on the remaining luxury tax items "the stamp shall be placed on the daily recapitulation of sales of the taxed items and this stamped recapitulation of sales shall be retained by the retailer at his premises for purposes of inspection by the revenue officials."

The War and Business . . .

Power Legal Problem

Legal position of a public utility called upon to interrupt power supply to a purchaser who holds a firm contract is causing some worry to power company officials these days. It is known that plans for curtailment of non-essential power use in Quebec and Ontario and probably some other parts of Canada are nearly ready for application this fall. Supposing that a utility is required to accept the responsibiilty for deciding who is essential and who is not, any company placed in this position is laying the foundation for a lot of legal troubles with greatest threat likely to come after the war.

One solution suggested is to have the work of the Power Controller decentralized to a certain extent. At present Power Controller Symington is keeping the whole job in his own hands and these hands are very, very busy handling this and other jobs such as Trans-Canada Airlines, Canadian National Railways and others. It might work out that deputy power controllers, enjoying required authority direct from Ottawa, might have to be appointed in Ontario and Quebec for the twofold purpose of giving a measure of legal protection and expediting the work.

It is pointed out that even the man in charge of an electric substation may be placed in the position of having to decide whose switch to pull if he is to keep war industries going, a responsibility that could carry with it threat of heavy legal penalties if the consumer whose power was cut off decided to be nasty about it.

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U. S. 50% on War

Average daily war expenditures in the United States in June were $158,600,000 according to WPB. The Federal Reserve Board estimates that 50% of all industrial production was for war purposes.

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Fear for Ferry Pilots

There is said to be concern and heartburning behind the scenes over the organization which has the job of ferrying back to this side of the Atlantic the pilots which have flown ships from America to Britain.

Canadian Aviation reports that the charge is now being made that "relatively inexperienced personnel" brings big loads of pilots back to this continent. The outfit handling the job is British Overseas Airways Corp. which is sponsored by the British government. Says Canadian Aviation:

> "The lives of our most experienced pilots must not be jeopardized by men or even by governments motivated by post war ambitions . . . We cannot afford any more disasters like the crashes which occurred Aug. 10, Aug. 14 and Sept. 1 last year."

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Informative Labelling

Informative labelling — labels that tell the customer what he or she needs to know in layman's language—will probably become widespread in Canada in coming months. Such labelling would involve frank information about quality (an important part of the price ceiling set up).

Since the manpower shortage is hitting retail stores hard and since in many of the larger ones, labor turnover is now enormous, such labelling would result in the customer consuming less time of the sales clerk; would protect the customer against ignorance of green clerks.

One large textile manufacturer in the U. S. (Pacific Mills) is using informative labelling to make its products last longer. The label gives information on washing, exposure to sunlight, perspiration resistance, shrinkage, etc.

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Rubber Salvage Facts

200 girdles make one gas mask; the erasers from one year's output of lead pencils would make 200,000 gas masks. Each month's production of baby pants is enough for 2,800 life rafts.

Such were some rubber salvage facts offered Americans by WPB.

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Mosquitos to Blame

What was the reason Crown Princess Juliana of the Netherlands left Canada to take up residence in the United States? Any deep diplomatic significance?

The answer is no. It was the mosquitos. The place the Princess had in the Rockcliffe suburb of Ottawa was "muggy" and Ottawa is a blazing hot summer spot anyway.

Of course, the royal family could have gone up into the Gatineau, but perhaps there was an idea that it was good that it should spend some time in the United States.

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Helping Salesmen

The St. Louis (Mo.) Chamber of Commerce has met the displaced salesman problem by setting up a special branch to register salesmen; help find them jobs.

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A Job For Them

What to do about the salesmen who find their jobs swept from beneath their feet by government order is a matter which has so far resulted in little planned and concerted action. While officialdom has so far indicated no plan for their relief, some Ottawa men say something has to be done; suggest that here is a great reservoir of manpower for putting over the war savings drive.

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War Savings vs. Taxes

Because of the present accounting system it is difficult if not impossible to tell how subscribers are honoring their pledges to buy and hold war savings certificates. One report is that redemptions have been running as high as 20,000 certificates a day.

The Ilsley budget has been a heavy blow to this war savings scheme. Some subscribers think they must abandon their pledges to meet tax payment. Employee subscription cancellations with some companies are said to exceed 50% and more.

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Wings Over Oceans

Transatlantic and transpacific services are definitely in the mind of Trans-Canada Air Lines as an after-war development. At present British Overseas Airways, Pan-American and other major lines are jockeying for position in what promises to be a major development in international transportation.

British shipowners are interested. They are understood to have told the British government recently that unless their position was protected, they could not be expected to sink large sums of money into new ships after the war. Many private interests have an eye on overseas air transportation, but the opinion now holds that franchises will only go to nationally-owned services.

'Phone Stock Selling Halted By Securities Commission

Following complaints from New Brunswick that Ontario brokers were attempting to sell mining stocks to N. B. residents by long distance telephone, R. B. Whitehead, Ontario Securities Commissioner states that action has been taken to stop this practice.

As explained by Mr. Whitehead no legal action could be taken against the Ontario brokers unless fraudulent practice could be proved. The selling of stocks by long distance telephone to private residences, although in some cases held to be legal if carried out in Ontario, cannot be halted by the Commission if sales are made outside the provincial jurisdiction, according to Mr. Whitehead.

The original complaint was registered from New Brunswick by G. Earle Logan, secretary of the New Brunswick Board of Public Utilities, the security regulating body in that province. Mr. Logan stated that the Board had received several complaints of efforts by Ontario brokers to sell mining stocks over long distance to people in New Brunswick.

This, Mr. Logan said, was illegal because the salesmen held no license for the Province of New Brunswick. Stocks were also reported to have been forwarded with bank drafts attached after prospective clients had declined to buy.

Nail Shortage Becomes Serious

(Continued from page 1)

to submarine cables, wire rope, bolts and screws for aircraft, tanks and motor vehicles, and into nails. An attempt is being made now to divert more wire into nails from other items.

Next Year's Needs

Meanwhile furniture factories and other large nail users have been asked to report on their requirements for the next 12 months, and it is hoped it will be possible on the basis of this information to arrange a schedule of nail production which will meet essential needs. Requirements of the furniture factories will likely be substantially greater, because so many of them are now engaged in the manufacture of plywood aircraft parts.

The administrator of fabricated steel and non-ferrous metals has launched a simplification programme for the nail industry, which will eliminate about 60% of the number of sizes now made. (The smallest aircraft nails run 11,765 to the pound, while big spikes go 2.7 to the pound, and there are literally thousands of sizes in between).

From 65,000 to 70,000 tons of steel go into nails in Canada each year. However, the simplification programme is not designed so much to conserve metal as to save machine hours and eliminate the "dead inventory" which results when small lots of unusual sizes are carried.

Domestic Power Cost Trend Down

From Our Own Correspondent

MONTREAL.—Since the beginning of the war there has been a steady decline in cost of electricity for domestic service in all provinces, the index of 102.94 in 1941 comparing with 103.25 in 1939 —1935-41 equalling 100.

Five of the nine Canadian provinces report to the Bureau of Statistics that domestic power in 1941 was above the 1935-1941 base. Alberta, Prince Edward Island and Nova Scotia are the only areas to report cost below the base index.

Company Report

Hiram Walker

Hiram Walker-Gooderham & Worts Ltd. reports net profits for the three months ended May 31 this year equivalent to $2.29 a share on the common, slightly better than the $2.17 a share earned in the corresponding quarter a year ago. Operating profits are up about $800,000, but higher taxes, depreciation and interest offset practically all of this gain.

For the nine months ended May 31, 1942, the company shows a good gain in net profit with balance available for the common this year equivalent to $6.40 a share compared with $5.94 a share last year.

Consol. Profit and Loss Account
Three Months Ended May 31

	1942 $	1941 $
Oper. profit	4,457,831	3,636,421
Add: Other income	18,159	68,131
Total earnings	4,475,990	3,704,552
Less: Depreciation	248,609	208,133
Deb. interest, etc.	189,543	141,830
Bank interest	12,019	19,004
Inc. & E. P. taxes	2,227,814	1,623,840
Net profit	1,798,005	1,711,745
Earn. per com. share	$2.29	$2.17

Nine Months Ended May 31

	1942 $	1941 $
Oper. profit	11,860,753	8,829,664
Add: Other income	277,361	281,789
Total earnings	12,138,114	9,111,453
Less: Depreciation	727,974	615,652
Deb. interest, etc.	662,085	400,135
Bank interest	84,719	49,096
Income & E. P. tax	5,604,373	3,320,876
Net profit	5,058,963	4,725,694
Earn. per Com. Share	$6.40	$5.94

Shawinigan Sets Record Profits Level

From Our Own Correspondent

MONTREAL.—Earnings of record proportions are reported by the Shawinigan Water & Power Co. for the first half of the year.

For the six months ended June 30, 1942, gross income exceeded $12 millions. This is the largest revenue ever reported for any like period and indicates an income over the 12 months of around $25 millions, another record. This compares with $20 millions in 1941.

While power purchases and other expenses were higher, net profit available for dividends, and before provision for income and excess profits taxes, reached nearly $3.8 millions for the past six months. This contrasts with $1.9 million in the like period last year, an increase of better than $1.8 million.

6 Months Ended June 30

	1942 $	1941 $
Gross revenue	12,023,770	9,302,412
Less: General exps.	2,139,849	1,923,388
Power purch.	2,035,770	1,642,887
Water rentals	250,689	231,899
Taxes	506,475	545,938
Net revenue	7,090,987	4,958,320
Less: Fixed charges	1,787,413	1,897,367
Exchange	130,700	132,790
Depreciation	1,400,000	1,000,000
Net profit*	3,772,874	1,928,163

*Subject to income and excess profits taxes.

Northern Electric Unites Sales Force

The General Sales Division of Northern Electric Limited has moved to 1620 Notre Dame St. W., Montreal.

Included in this move are: M. K. Pike, vice-president; R. J. Vogan, general service manager; E. C. McGovern, merchandising; J. J. McGovern, Hammond Organs; D. E. Bankart, advertising; and their staffs. L. A. Johnson, Supply Sales Division, has been at this address for some years.

Envelopes for every purpose
Barber-Ellis of Canada, Limited
TORONTO BRANTFORD
BRANCHES FROM COAST TO COAST

HOLD HIGH THE TORCH OF FREEDOM

Living Historic Times With Canada

For 124 dramatic, dynamic, historic years the Bank has lived, worked and watched with Canada.

Founded two years after the Battle of Waterloo, the Bank witnessed the Crimean War, the Indian Mutiny, enlisted for the duration of the South African War and World War I, and now marches with the Dominion and the Empire in World War II.

Always, Canada has come through stronger, better, triumphant. May she so come through the present fiery trial. To this end we work and dedicate the institution's services.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service . . . the Outcome of 124 Years' Successful Operation
A166

FOR SALE
CANADIAN STEAMER PELEE

DESCRIPTION—Built in 1914 of steel construction. Tonnage gross—461; net—219. Canadian registry. Steam steerage gear, electric lights, 2 dynamos, electric refrigeration. DIMENSIONS—146' long, beam 24'. Moulded depth 11' 3". Draft 10'. SPEED—Normal 13 miles. BOILER — Scotch boiler, 185 pounds steam pressure. H.P. 500. ENGINE—Triple expansion 12½—21—34. 21" stroke. PASSENGERS—Allowed 300, also 15 automobiles.

The ship can be converted into a tug without much outlay

PRICE — $40,000.00
Apply Trust Department
GUARANTY TRUST
COMPANY OF CANADA
70 Richmond Street West
TORONTO
WIND[illegible] NIAGARA FALLS, ONT.

Kirkland-Hudson Bay Income Unchanged

Net income of $9,803 was realized by Kirkland-Hudson Bay Gold Mines in the year ended April 30, 1942, practically unchanged from the $9,778 of the preceding year.

The property remained inactive during the year and it has not been deemed advisable to undertake exploration of other properties under present conditions. Aside from an increase of Dominion bond holdings to $8,500, there was practically no change in investments.

Balance sheet as at April 30, 1942, showed $19,771 cash in banks, $24,549 of accounts receivable. Current liabilities were $4,924, leaving working capital of $39,396, compared with $41,578 a year ago.

Clarendon Apartments Ltd. reports receipts during the six months ended May 31, 1942, at $18,597 against expenditures of $16,695. This increased balance of cash on hand at May 31 to $4,230.

OUTING SHOES
for golf and knock-about wear
$7 TO $9
Heavy calf or grain leather, sturdily constructed for wear around the house, for golf, gardening, general knock-about Summer wear. Comfortable blucher or balmoral styles, with moccasin or plain toe. Sizes 6 to 12. Pair $7 to $9.
Simpson's
THE STORE FOR MEN — AIR-COOLED STREET FLOOR

This Week The Financial Post Asks

Should men in the armed services get some government help with obligations?

Many men now being called up in higher age categories claim they are unable to maintain equities in insurance, real estate, etc., on military pay. Should the government assist them, and if so, how?

Lucien Borne

Mayor of Quebec City.

As regards salaries paid to soldiers, we must consider the fact that the soldiers are doing their duty 100% and that they are defending the rest of the community, therefore it would be only fair that the government pay to the soldiers salaries which would allow them to meet the obligations they have assumed in civil life.

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W. Garfield Case

Mayor of Owen Sound, Ont.

Older men undoubtedly have made commitments which could not possibly be maintained on army pay. Their life assurance programmes are practically complete. In the process of paying for homes with fixed charges, their interest, taxes and fixed charges will, in the main, average well over $600 per year. I believe their equities should be protected by a direct contribution. I am opposed to freezing as this would work a chain of hardship.

I suggest the average pay earned over a period of six months or a year immediately preceding enlistment be used as the basis of remuneration for men with bonda fide obligations. Because the men must enlist, it would be unfair to jeopardize their equities while those who do not enlist maintain their assets.

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A. E. Cuthbertson

President and general manager, Harding Carpets Limited, Brantford, Ont.

As all citizens now contribute financially in proportion to their income, those who, in addition, serve personally at army pay, should be assisted to maintain equities on certificate from the income tax department that their financial status warrants such concession.

I suggest a rebate of income taxes to the full extent of premiums on personal life insurance in effect before June 24, and mortgage interest on residences, with a moratorium for the duration on instalments of principal.

• • •

F. A. J. Davis

Editor, The Canadian, Carleton Place, Ont.

The call for military service in the higher age categories will, in many cases, call for sacrifices hitherto unthought of by Canadians and without doubt many may be compelled to sacrifice some of their insurance and real estate to meet war's demands. It is part of the price we will have to pay for victory.

Many business firms have already suffered heavy financial losses through decreased revenue and this must extend to individuals in private life in increasing numbers until the war is won. The government is being heavily milked—too much already to make good the losses sustained.

• • •

Roy D. Dodge

Warden, Northumberland and Durham County, Cobourg, Ont.

Men of higher category now being called up will have extreme difficulty on their military pay to maintain their obligations well looked after in civil life, obligations that entail life insurance premiums, real estate, etc. If men in the service are not able to keep their obligations the whole financial bulwark of Canadian citizenship starts to decay. Something should be done by the Federal Government to alleviate this difficulty by an extra per diem allowance placed in the bank by the paymasters to the men's credit to help meet these extra needs.

• • •

Major C. G. Dunn

Editor, Quebec Chronicle Telegraph, Quebec City.

It is obviously unjust that a man should be called up for military service and at the same time deprived of the means of maintaining his life savings and protection for his dependents by loss of revenue due to the difference between military pay and previous civilian income.

Under the circumstances, it is the duty of the government to come to the assistance of these men by declaring a moratorium **on their fixed obligations in connection with insurance, real estate, etc., until such time as they are demobilized and rehabilitated in civil life.**

• • •

Alan K. Hay

Engineer, Suburban Roads Commission, Ottawa.

The government should not deal with this problem by piecemeal legislation.

It is part of the larger problem of readjustment of army rates of pay and of hourly rates paid workers in war industries, both of which should receive early consideration.

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H. W. Hunt

President and managing director, Hunts Ltd., Toronto.

I do not think any men called up in the armed forces of our country should lose their equity in insurance or real estate. I believe the government should protect him in two ways:

1. Interest rates to be reduced on real estate mortgages while the man is on active service.

2. Insurance premiums, 50% to be paid by the government as no man, no matter how small his equity in insurance or real estate, could afford to carry it on the army pay of a private.

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John L. Lang

Vice-president, Engineering Institute of Canada, Sault Ste. Marie.

No, because such aid would involve discrimination in favor of home defense forces as against the active army, and because many such cases, if investigated by impartial tribunals, might reveal responsibilities that would justify exemption.

The present system of calling up men for compulsory home service and of exemptions should be adequately explained to the Canadian public, particularly in order to justify calling up age group 35 to 40 when so many younger men are apparently exempt.

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Oswald Mayrand

Director, "La Patrie," Montreal.

A Canadian taking up arms to defend his country deserves that the state should protect the material interests which he himself cannot maintain. Anxiety over personal interests must not weaken the war effort.

In the event that he has to meet **some obligations previously acquired in insurance or real estate, the soldier should be able to rely on the state's assistance in making such payments if his earnings are insufficient. It is the government's business to seek the best measures to be adopted to meet** the financial needs of its defenders.

J. H. Monteith

Editor, Killarney Guide, Killarney, Man.

I would say that men called up in higher age military categories who are unable to maintain equities on present financial commitments on military pay should, outside of a general moratorium, receive government assistance where the case has been properly examined both as to the nature of commitments and their reaction upon those to whom the commitments are made.

In ordinary cases a moratorium should be sufficient until a specified time after the end of the war. I would lay particular stress upon the nature of the equities to be maintained. Canada must play fair with her enlisted men.

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H. E. Rice

Editor, Huntsville Forester.

I can easily imagine many young men called into service facing under army pay the same problems in meeting insurance and other commitments as those in older categories. I believe that protection against loss of insurance or property should be provided by the government instituting a moratorium for the duration of the war on mortgage obligations involving real estate, exclusive of speculative transactions.

I think that suspension of insurance premiums with continuance of risk for service forces should be guaranteed for the duration with needed adjustments made at the termination of war and re-entry into civil life.

In these matters the government must necessarily give definite leadership. Without this protection for themselves and families service men are asked to bear an unfair share of war burdens.

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Fred. J. Smith

Warden of Welland County, Thorold, Ont.

In regard to men in higher categories being called up and finding themselves unable to keep up their equities in insurance and real estate, my opinion is that the authorities should take into consideration the circumstances as they affect individual cases and make provision to meet same by comparing army pay to that made in civil life. Where hardship would be suffered it should be relieved and personal property safeguarded.

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Wm. C. Stannard

Account Executive, J. Walter Thompson Co., Montreal.

Definitely the government should maintain the estates of men on service at least at the level possible had they continued their civilian career. Such obligations are normally in direct proportion to earning capacity and equities could be protected by maintaining the net earnings of each man through one or a combination of the following:

1. Equalization of army and civilian pay with the difference shared by the government and employer.
2. Subsidising such obligations through special allowances.
3. Reduction or elimination of income tax for all men in service.
4. Increase in army allowances for men with dependents.

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H. A. Stewart

Mayor of Kingston, Ont.

It may be accepted that every true Canadian desires to contribute his maximum service in the war effort and to this end everyone should be placed in the role in which he is best fitted (compulsory selective service). It is, however, unfair that anyone should be penalized to the extent of being unable to meet his ordinary obligations or even, perhaps, bringing serious embarrassment to his dependents through insufficient army pay.

I believe consideration should be given to the advisability of additional assistance in individual cases on the recommendation of competent local boards appointed for this purpose.

No one should suffer economic injustice. The whole population should be required, as nearly as possible, to assume equal sacrifices.

When replies run longer than as requested, and space requirements necessitate, The Financial Post exercises the privilege of condensing them.

Your Income Tax

Payments of income taxes collected at the source begin in September. In this weekly column, The Financial Post answers problems you may have in connection with your income tax. In some cases, rulings have yet to be made, hence The Post can only cite informed opinion.

When New Taxes Apply

When do the new income tax rates become effective? Do they apply all through 1942 or just for the last six months of the year?

The new income tax rates apply on the whole 1942 income. The new regulations provide, however, that the taxpayer will receive credit on his 1942 taxes for the amount collected under the former National Defense Tax up to Aug. 31. Thus in the case of an employee who has had 5% deducted from his salary from Jan. 1 to Aug. 31, he will have a credit of 2/3 of 5% of his income toward his total income tax payable for the whole of 1942.

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Mortgage Payments

I own a house which I rent to another person. I have a mortgage on the house and pay a certain amount of principal off each year. Can I deduct these payments from the amount of my compulsory savings?

The clause in the regulations dealing with allowances under the compulsory savings section states that deductions will be permitted for payments of mortgage principal on one residential property, provided the contract was in effect on June 23. It does not specify that the taxpayer must live in the house himself. Accordingly it would appear, you are allowed to make deductions on account of your mortgage payments whether you live in the house yourself or not. Total deductions, including life insurance premiums, however, must not exceed the amount of compulsory savings.

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Refundable Part of Tax

As part of the income tax collected from individuals is refundable, will it be subject to income tax when the refund is made?

It is not expected the refundable part of the tax will be taxed when refund is made. In the House of Commons, Finance Minister Ilsley stated the refundable part of the excess profits tax would not be subject to income tax but would be regarded as a part of the income already taxed. It is assumed the same policy will be followed as regards personal income tax.

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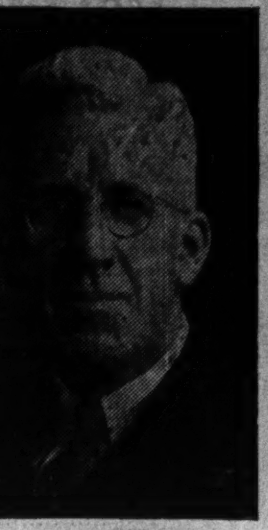
Medical Expenses

To what extent are expenditures for medical or dental attention deductible for income tax purposes? Are these expenditures deductible from income when computing tax or from the amount of tax payable?

The taxpayer is allowed, within certain limits, to deduct expenses for medical or dental attention from his income when computing taxes. The deduction allowed under this heading is for any excess expenditures over 5% of the taxpayer's income. The Finance Minister, in his budget address, explained that the average family expenditures on medical services, etc. are about 4% or 5% of income. The intention of the government, he said, was to provide exemptions for those who have more than average expenditures of this kind. A ceiling is put on the amount that can be deducted under this provision. This ceiling is $400 for a single person and $600 for a married person, or a person entitled to the same allowances as a married person, plus $100 for each additional person (not exceeding four) dependent on the taxpaper for support, provided the maximum deduction shall not exceed $1,000.

The regulations also provide that such expenditures to be deductible must be incurred and paid in the taxation year or paid in the taxation year and incurred in one year prior to the date of payment. The regulations also require that payments to be deductible must be made to a qualified medical practioner, dentist or nurse registered under any Dominion or provincial legislation or regulation or public or provincially licensed private hosptal. Amount paid must be substantiated by receipts filed with the taxpayer's income tax return.

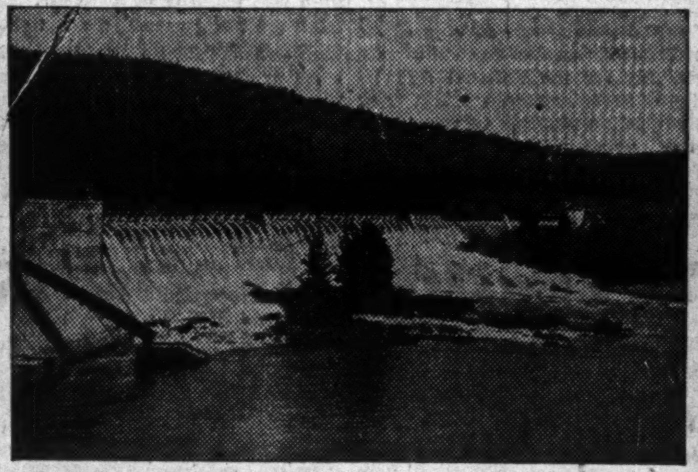
Manufacturers Life Appointments



A. KINCH

W. T. THORPE

Two well-known life insurance agency executives, Alfred Kinch and William T. Thorpe, have been appointed Managers of Agencies of The Manufacturers Life Insurance Company. Mr. Kinch joined the Company in May, 1914, and Mr. Thorpe has served it since September, 1919. Immediately prior to their appointments both executives were Agency Superintendents, Mr. Kinch being in charge of the United States Division and Mr. Thorpe in charge of the Canadian Division, which territories they will continue to supervise.



AID TO WAR EFFORT

By raising the height of the dam three feet through installation of "flash-boards," Quebec's Gouin reservoir capacity has been increased by 27%. This reservoir, one of the most important power water projects in the world, is the principal regulating agency for the five hydro-electric plants operated by the Shawinigan Water and Power Co. on the St. Maurice River.

YOUR OWN VACATION HEADQUARTERS or FISHING CAMP!
TERMS IF DESIRED
HALLIDAY SUMMER COTTAGES and CABINS. CATALOG FREE write..
HALLIDAYS DEPT. F.P. HAMILTON

NIGHT THOUGHTS ... OF A GUARD!
AMALGAMATED ELECTRIC CORPORATION LIMITED

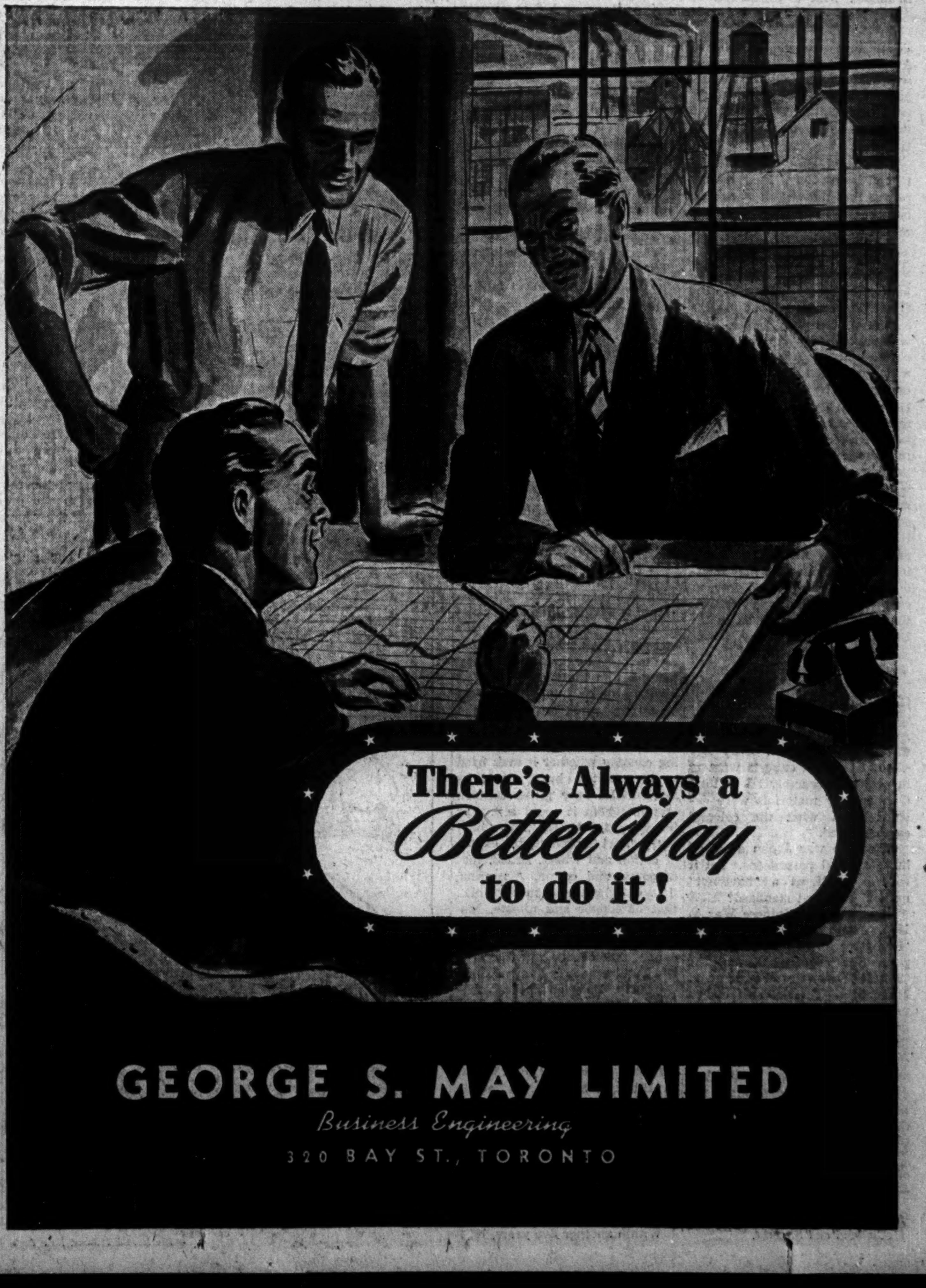
★ In the last war, when Fritzy sent flares over no-man's-land, I used to "freeze" motionless and pray that he would not see me. In this war, lights are my silent partners. I have confidence in those floodlight partners of mine. I know the fear that floodlights will put into the heart of any saboteur who might want to pass my line. I learned that fear from the flares of no-man's-land.

Benjamin Improved "Duo-Service" Floodlights are the silent partners of veteran guards at scores of Canada's war industries. They are MADE IN CANADA by Amalgamated Electric Corporation Limited. Weather-proof . . . simple to adjust . . . easy to wire. The hoods and brackets are rugged castings. The porcelain enamel diffusing reflectors resist attacks of smoke, dirt and atmosphere.

They roll back the darkness wherever prowlers might do mischief, or where men work outside at night. Ask us about Benjamin Improved "Duo Service" Floodlights.

Amalgamated Electric Corporation Limited, Toronto and Montreal. Western Divisions: Langley Electric Manufacturing Co. Limited, Winnipeg; Langley Electrical Co. Limited, Calgary; Langley Manufacturing Co. Limited, Vancouver.

AMALGAMATED ELECTRIC CORPORATION LIMITED IS PROUD TO BE EXTENSIVELY OCCUPIED WITH ITS PART IN SUPPLYING CANADA'S WAR REQUIREMENTS



The Shareholder

Unfavorable war news recently has failed to discourage investors who have apparently become inured to bad news from the war front. This fact probably also indicates how deepseated is the faith in ultimate victory, a faith that had apparently discounted the worst as long ago as June, 1940.

Stock market action over the past two or three weeks, in the face of adverse war news from several fronts, suggests once again that the easiest path for stocks to take is upward. Since April the advance has continued with only minor interruptions and it has not yet developed symptoms indicating that the end of the current intermediate move is near. It is to be expected that interruptions to the advance will occur and in fact it may be better from the longer-term viewpoint that they should.

• • •

"Courage to buy sound common stocks will be handsomely rewarded during the coming period of victory and reconstruction," maintains F. H. Deacon & Co., Toronto stock exchange members. No prediction of spectacular gains is made, but a number of reasons are given in support of an aggressive policy now. Most of these are parallels drawn from past experience, indicating the way in which stock markets have been ahead of the news in discounting coming events.

Outside of this, however, there are certain facts peculiar to the present situation that are worth digesting. Deacon & Co. states, for example, that:

"The only non-taxable form of income in Canada is 'capital gain.' Careful investors have been accumulating blocks of several chosen securities for many weeks and already there have been advances of 15% to 25%, equivalent to three to five years non-taxable interest at 5%."

• • •

Another organization that has come out strongly in support of an aggressive stock market policy is E. G. Bulmer & Co. whose studies are based on use of U. S. banking figures. Right now these indicators point strongly upward. On Dec. 6, last, this firm wrote that lower stock prices must be expected and recommended immediate sale of equity holdings. The next day, Japan attacked the United States and Great Britain, starting a stock market decline that took the Dow-Jones industrial share index down 10 points in three weeks. This was short notice for anyone attempting to act on their advice.

The next specific recommendation this firm made was dated Feb. 21. This time it was stated that their indicators suggested a change in trend was coming but it was stated that likelihood of unfavorable war news meant that investors should wait around six to eight weeks before purchasing. This would have taken until about the middle of April and the Dow-Jones industrial index hit its low of 92.82 on April 29, down over 20 points from early December. On these two occasions at least a remarkable timing is evident, admittedly not a guarantee that such will always be the case.

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Initial year of self-policing of the investment business has ended successfully for the National Association of Securities Dealers, Inc. This organization, embracing some 2,000 security dealers in the United States, started June 30, 1941, to regulate the business methods of its members.

In its first year 132 complaints were filed. Decisions rendered resulted in expulsion of 42 members from the association, suspension of 12 others for periods ranging from 30 to 90 days, fining of 47 members sums ranging up to $2,000 and the censuring of 32 member firms.

Starting its second year, this association points to what it claims is solemn acceptance of responsibility by a vast majority of members. Its rules are being extended and tightened and the promise is held out that rigorous enforcement is to continue. This association is outside of the Investment Bankers Association of America and of all stock exchanges. It has no counterpart in Canada as a disciplinary body.

Bachelors Get Budget Breaks

Most significant complaint raised against the new budget is not the size of the gross tax bill, bound to be overwhelming in the face of Canada's commitments, but in the apportionment of the burden. Herewith The Financial Post presents one facet of this pressing problem; the disparity in the tax increases imposed on those with children as compared with single or childless taxpayers.

Two key facts come out of the accompanying table: the tax jump is, in all brackets except the $2,000 incomes, uniformly higher as the family responsibilities increase; and the percentage increases are higher in the lower brackets. Latter fact is largely attributable to taxation in the higher brackets having already approached saturation levels, but note that the married man with four children at $4,000 a year has had almost four times as big a percentage tax boost as the single man with $35,000.

For comparative purposes, dollar tax rates and increases for 1942 are included.

Gross Annual Salary	Single Man	Married Man Without Children	With One Child	With Two Children	With Three Children	With Four Children
Percentage Increase in Taxes						
$	%	%	%	%	%	%
2,000	29.6	31.9	69.9	79.0	33.5	—30.0
4,000	33.4	42.9	47.1	48.5	46.7	82.8
7,000	24.8	29.8	32.0	33.9	35.8	38.0
12,000	20.1	23.1	24.3	25.4	26.5	27.6
20,000	21.1	23.4	24.2	25.0	25.9	26.8
35,000	22.8	24.7	25.2	25.8	26.3	26.9
Dollar Increase in Taxes						
$	$	$	$	$	$	$
2,000	101	56	66	47	13	—6
4,000	319	289	261	218	170	211
7,000	540	525	511	488	462	433
12,000	934	937	937	928	916	902
20,000	1,924	1,949	1,961	1,973	1,985	1,997
35,000	4,145	4,208	4,240	4,272	4,304	4,336
Total Taxes at 1942 Budget Rates Excluding Postwar Refunds*						
$	$	$	$	$	$	$
2,000	441	231	161	107	53	14
4,000	1,274	964	816	668	520	466
7,000	2,715	2,285	2,107	1,929	1,751	1,573
12,000	5,592	5,002	4,794	4,586	4,378	4,170
20,000	11,029	10,279	10,071	9,863	9,655	9,447
35,000	22,313	21,263	21,055	20,847	20,639	20,431

*Taken to nearest dollar.

The Myth of the 'Have-not' Nations

(Continued from page 1)

United States. The population is about 50 million, blessed with all the treasures nature can bestow on man—fertile soil, immense forests, unimaginable wealth of ore, coal, metals and agricultural raw materials—yet the national income of Brazil is estimated at $290 per head per year.

On the other hand, the wealthiest countries in Europe were the small nations like Switzerland or Denmark, with a population of approximately four million each. Their territory covers an area about the size of a Western American county. Sweden is somewhat larger (about 6 million people), but only a fraction of her land is habitable. About two thirds of the population live in the southern part.

The list of samples can be extended indefinitely. It invariably proves that the wealth of nations has nothing to do with the size of their territory.

The Absurdity of Colonialism

Germany herself refutes Hitler's philosophy. Among the Great Powers on the European continent, Germany before 1914 was undoubtedly the richest, far richer than Austria-Hungary, which exceeded Germany in size of territory by about 20%, vastly richer than Russia or Italy. Germany, it is true, had at that time her colonies, but not many people in those paradisiacally sane days thought of colonies as a source of wealth. In fact, they were a heavy liability. The cost of their administration exceeded many times the returns that could be exacted from them. The small investments for which they offered opportunities yielded in general not higher but lower returns than German investments in the United States and South America, in the Far East, or in the British Empire.

Consequently not quite 2% of German foreign investments were working in the German colonies. As a market for German goods they hardly counted. Only .5% of total German exports went to her colonies; scarcely 1% of total German raw materials were derived from what the colonial earth yielded.

After the war Japan acquired huge colonial possessions. Yet it regards itself as a "have-not" nation. By what standard?

Since the first Chinese War in 1895, Japan has expanded her "living-space" at an accelerating pace. She acquired Korea, the Chinese province of Shantung and Manchuria. Yet she still claims to be a "have-not"; the more living-space she has, the more living-space she wants. Expansion begets expansion. There is no limit and no end to it. And all the while the expanding nation grows poorer, not wealthier, chasing a will-o'-the-wisp she can never catch up with.

Between 1919 and 1939 which of the three "have-not" powers was best off? Without any doubt, Germany, the one Axis Power that had no opportunity to embark on an adventurous expansion. In fact, despite Versailles, despite the loss of her colonial possessions, Germany in the 1920's once more built up the highest standard of living. She had to pay about 15 billion gold marks ($6 billion) in reparations to the victorious Allies, primarily to France. But about the same amount was sunk in Germany by foreign loans and investments, largely American, while France used the German tributes, financed by her Allies, to build the Maginot Line—which she did not defend, certainly one of the most ironic transactions of history.

This miraculous German resurrection during the 1920's was on net balance achieved by Germany herself, by her own labor and her own effort.

What of British Empire?

What of the other side of the picture, of the 46 million English who rule and govern 40 million square kilometers? Well, these 40 million square kilometers include 10 million in Canada, 8.5 million in Australia and New Zealand, and 1.2 million in the South African Union. These are the Dominions of the British Crown. To assert that they are "ruled and governed" by the English is even more absurd than to maintain that California is "ruled and governed" by Pennsylvania.

"Access" to Raw Materials

Skilful propaganda must keep several versions in readiness for each issue. Thus, as a variation to the living-space fable, you see presented and credulously embraced the fable of the unjust distribution of raw materials, or, put positively, the claim to general access to raw materials. The truth is that there never was an industry or a country that—in peacetime—could not get all the raw materials it needed.

Ask any raw-material-producing country whether it ever tried to keep out a buyer from its market. Its only grave concern was to whom it could sell. For ten years the United States bent every effort to promote the export of cotton and wheat, Brazil, that of coffee and cotton, Argentina, that of wheat and meat, Chile, that of copper and nitrate, Malaysia and the Netherlands East Indies, that of tin and rubber, Japan, that of silk and camphor. Not one instance is known where Germany, Italy or Japan was—in peacetime—barred from any source of raw material or discriminated against.

Was it for lack of raw materials that Germany went to war in 1914, or because she was a "have-not" nation? She was rapidly becoming the "plutocrat" in Europe, taking a substantial part in financing and developing the Americas and other overseas countries. Germany lost the war—a giant beaten down by a world coalition.

Within another five years, 1924-29, Germany once more seized economic leadership in Europe.

Not for a single day was Germany hampered by lack of foodstuffs or raw materials. And not the least advantage that prompted this German miracle was lack of colonies.

Could Buy Cheapest

German industry could buy raw materials where they were cheapest and reap the differential profit over the "have" nations, which were tied to their own more expensive output. It was free to buy Rhodesian copper and need no longer care about the Otawi mines in East Africa, which were German until 1918, but mined copper at about three times the costs of Rhodesia. Germany might have had the cheapest living-costs if the German Government itself (under pressure from the same people who were the champions of the living-space theory and of colonial expansion) had not been more intent on subsidizing the East Elbian estate-owners than on providing the German people with cheap food.

Who "Has"?

Under our economic system of private ownership no country "has" or "has not" raw materials and foodstuffs. They are "had" by individuals, nationals or foreigners. The people grow food, raise cattle and hogs, mine coal, ores, copper, iron, zinc, lead, plant hemp and flax, keep sheep for wool, and they do it if and as long as it can be done profitably, that is, at a selling price exceeding the costs.

To the individual buyer of raw materials it makes no difference whether he buys the stuff at home or abroad.

All Suffered Alike

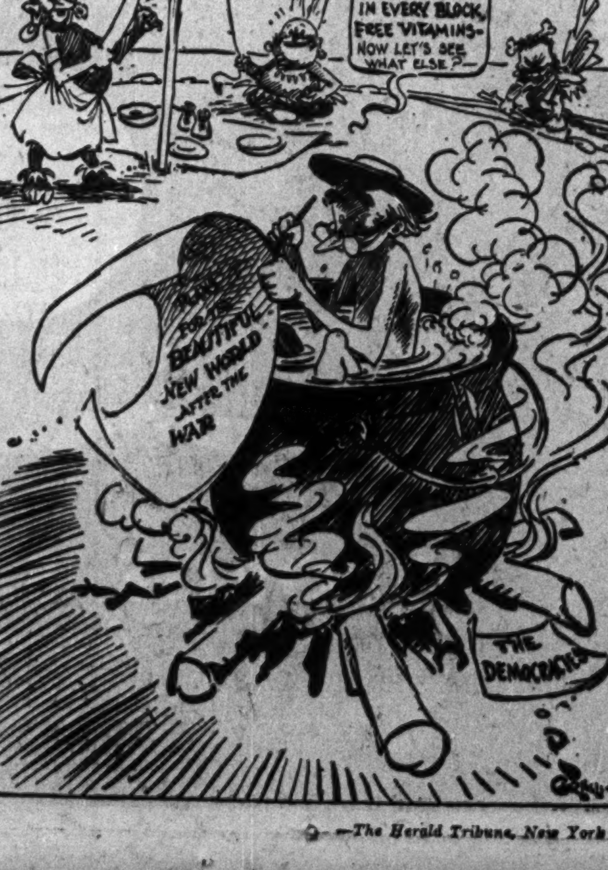
German foreign trade — particularly German exports—until the Nazis conquered Germany was higher than ever before, even in the most resplendent imperial pre-1914 days. If later Germany had foreign-exchange troubles, so had England when she was forced off the gold standard in 1931. So had France when the French franc fell to a small fraction of its original gold value. So had even the United States in 1933. So had almost perennially most South American countries.

Neither in Germany nor in England were the exchange difficulties caused by trade difficulties, dislocation or denial of markets. In Germany as in England or France it was capital flight that depleted their gold stocks and forced them either to exchange restrictions or to devaluations of their currencies. Germany chose the method of exchange restrictions because, obsessed with the recollection of 1923, she did not dare to devalue when suddenly billions of foreign deposits were withdrawn.

England, France, and the United States preferred to devalue when their monetary equilibrium was shaken by large-scale capital flight. In other words, the "haves" were confronted with exactly the same exchange problem, and the raw-material countries to an even greater extent than the "have-nots."

What is left of our simple, beautiful fable?

"This Age of Fable," by Gustav Stolper is published in Canada by McClelland and Stewart.


A PINT OF MILK FOR ALL THE KIDDIES, A SUNDAY SCHOOL IN EVERY BLOCK, FREE VITAMINS- NOW LET'S SEE WHAT ELSE?
PLANS FOR THE BEAUTIFUL NEW WORLD AFTER THE WAR
THE DEMOCRACIES

—The Herald Tribune, New York

How New Income Tax Will Be Calculated

By DONALD G. MACLEAN

With two income tax rates and the taxes, when possible, to be deducted at the source, what is the responsibility, of the average taxpayer?

As a guide to a solution, The Financial Post has calculated the approximate amount of taxes and compulsory savings payable on a number of incomes including both earned and investment income. Calculations should be regarded as approximate and not necessarily actual figures.

To avoid repetition in each case it is noted that the method used in computing the amount of compulsory savings is laid down in the budget resolutions as follows:

Take the less of:

1. One half of your total tax including normal and graduated tax.
2. If single, 8% of total income (not to exceed $800 in any event) plus 1% or a maximum of $100 for each dependant.

If married, 10% of total income (not to exceed $1,000 in any event) plus 1% or a maximum of $100 for each dependent.

The employer is only concerned with deducting the tax due on the salary or wages he pays an employee. He is not concerned with the employee's private income. The employer is expected to deduct the full amount of tax payable on the salary, plus one third of the compulsory savings due.

Examples follow:

Case No. 1

Married man with income of $2,500 derived as earnings from one source. Has two children and pays $200 yearly in life insurance premiums and mortgage payments.

Normal Tax		$
7% of $2,500		175
Deducts $28 for each child		56
Net normal tax		119
Graduated Tax		
Gross income		2,500
Statutory exemption		660
Taxable income		1,840
30% on first $500		150
33% on second $500		165
37% on remaining $840		311
Gross graduated tax		626
Is married deducts $150; deducts $80 each child, $160		310
Net graduated tax		316
Add net normal tax		119
Total tax payable		435
Compulsory savings portion		218
Net actual tax		217
Credit for National Defense Tax paid to Aug. 31		57
Balance actual tax due		160
Employer will deduct at source by monthly installments total tax due plus ⅓ compulsory savings or $160 +$73 equal to		233
Monthly deduction		19
Balance due by taxpayer:		
Actual tax	nil	
Savings	218	
Less	73	
		145
Credit insurance and mortgage payments	200	
Refund due at end of year		55
Refund due after war		18

Case No. 2

Man with salary of $2,500 and private income of $500. Married and has two children. Pays yearly $200 in life insurance premiums and mortgage payments.

Normal Tax	$
7% of $3,000	210
Deducts $28 each child	56
Net normal tax	154
Graduated Tax	
Total income	3,000
Statutory exemption	660
Taxable income	2,340
$685 on $2,000	685
41% of balance of $340	139
Gross graduated tax	824
Is married, deducts $150; deducts $80 each child, $160	310
Net graduated tax	514
Total tax payable	668
Compulsory savings portion	334
Total actual tax	334
Credit for National Defense Tax paid to Aug. 31	84
Net actual tax	250
Employer will deduct at source by monthly installments actual tax due on salary paid exclusive of employee's private income plus ⅓ compulsory savings due on salary.	
Deductions will be same as in case 1, $160 actual tax plus $73 compulsory savings, total $233 or $19 monthly.	
But taxpayer's total tax due is $334, of which $160 has been deducted at source.	
He will have to pay direct	174
Compulsory savings total	334
Employer deducts	73
Balance due	261
Credit life insurance premiums and mortgage payments during year	200
Balance due	61

Case No. 3

Man with total income of $8,000, of which $6,000 is salary and $2,000 investment income. Married and has two children. Pays life insurance premiums and mortgage payments of $700 yearly.

Normal Tax	$
7% of $8,000	560
Deduct $28 each child	56
Net normal tax	504
Graduated Tax	
Total income	8,000
Statutory exemption	660
Taxable income	7,340
$1,975 on first $5,000	1,975
50% of balance of $2,340	1,170
Gross graduated tax	3,145
Is married, deducts $150; deducts $80 each child, $160	310
Net graduated tax	2,835
Total normal and grad. tax	3,339
Surtax	
Investment income	2,000
Exemption	1,500
Subject to surtax	500
4% of $500	20
Total tax and surtax due	3,359
Compulsory savings portion	960
Actual tax remaining	2,399
Credit for N.D.T. deducted by employer up to Aug. 31 on salary of $6,000	174
Net actual tax due	2,225
Deducted by employer as total tax on salary	1,459
Deducted by employer as compulsory savings	240
Balance taxes payable direct	940
Balance savings payable direct	720
Credit savings with life ins. prems. and mortgage payments	700
Net savings payable	20

Case No. 4

Married man with income from varied sources such as a doctor, lawyer, salesman on commission, etc. Yearly income totals $10,000. Pays $3,000 yearly in different classes of approved savings such as life insurance, pension payment, mortgage payments, etc.

Normal Tax	$
7% of $10,000	700
Deduct $28 each child	56
Net normal tax	644
Graduated Tax	
Total income	10,000
Statutory exemption	660
Taxable income	9,340
Tax levied:	
$3,475 on first $8,000	3,475
55% on balance of $1,340	737
Gross graduated tax	4,212
Is married, deducts $150; deducts $80 each child, $160	310
Net graduated tax	3,902
Total normal and grad. tax	4,546
Compulsory savings portion calculated as in example 1	1,200
Net actual tax	3,346
Has no credit for N.D.T. paid to Aug. 31	
Pays each yr. $3,000 in life ins. prems. & mortgage payments. But deductible savings amount to only $1,200. Which can be applied on insurance and mortgage.	
Must pay bal. of ins. & mtge. savings out of income left after paying actual tax of $3,346.	

Universal Life and Annuity Is Reinsured

Reinsurance of the business of the Universal Life and Annuity Co. of Winnipeg by the Great-West Life and a number of other companies has been announced this week.

The announcement follows negotiations in progress for some time and the plan followed is along the lines of that some years ago when approximately the same group took over the business of the Western Empire Life.

The agreement will not go into force until formally approved by the Dominion and provincial authorities concerned and ratified by the Universal Life shareholders. The tentative consent of the government authorities, it is understood, has already been given and the company, under the agreement ceases to do business.

Was Founded 1902

The Universal Life founded in 1902 with head office in Winnipeg, operated in Manitoba and the British West Indies. It is believed the largest part of its business was in annuities in the latter area. Policies issued prior to 1907 have been administered under a trust fund established by the Universal Life in 1928.

The Great West now takes over and administers this fund.

According to the official announcement "Payment of the contractual benefits of policies not included in the trust fund will be guaranteed by the Great-West Life." While the latter company is taking over all the administrative details, the agreement "was arranged in co-operation with a number of other Canadian life insurance companies, each of whom will reinsure a portion of the risk."

Including the Universal Life, 16 Canadian life insurance companies have been merged or absorbed in the 67 years since the Dominion Department of Insurance was organized.

Tabulation of companies merged or absorbed follows:

Company:	Year of discontinuance	Gross business in force*	Assets in Canada*	Liabilities other than capital*	Disposition of business
Canadian Companies:		$	$	$	
Stadacona	1878	133,950	69,238	3,212	Reinsured by Confed. Life
Toronto	1883	171,309	85,472	28,085	Reinsured by Federal Life
Life Assoc. of Can.	1886	373,650	133,098	101,373	Reinsured by Confed. Life
Citizens'	1890	2,170,044	263,041	300,292	Reinsured by Sun Life
Dom. Safety Fund	1894	1,549,000	78,158	15,518	Reinsured by Great West Life
Temp. & General	1901	9,923,385	925,182	831,873	Merged with Manufac. Life.
Royal Victoria	1911	4,649,086	710,199	749,521	Reinsured by Sun Life
Union	1913	3,214,791	1,406,107	1,319,860	Reinsured by Metropolitan
Home	1914	5,088,850	1,504,580	1,411,436	Reinsured by Sun Life
Federal	1915	28,898,979	5,915,079	5,427,690	Reinsured by Sun Life
British Columbia	1918	2,710,880	326,646	257,687	Reinsured by Sun Life
Security	1929	9,516,717	1,034,092	1,036,395	Reinsured by Confed. Life
Columbia	1932	529,748	94,025	10,833	Reinsured by Great West Life
Capital	1935	12,330,191	2,032,614	2,139,900	Reinsured by Confed. Life
West. Emp. Life	1940	7,818,140	1,545,296	......	Reinsured by Great West Life and 13 other companies
Universal Life	1942	......	†623,028	364,769	Reinsured by Great West Life and other cos. in a group

*At end of fiscal year. †Total assets Dec. 31, 1940.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities* 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.0	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
1942: Weekly Figures:												
June 4	76.2	60.7	70.1	43.8	106.6	73.2	92.3	76.0	63.0	87.3	67.5	62.7
June 11	77.4	63.0	69.8	45.1	109.6	73.8	94.2	77.8	65.6	87.8	69.9	63.5
June 18	78.0	62.9	70.3	46.3	107.4	75.9	96.8	77.8	66.7	88.4	70.2	64.7
June 25	74.0	60.0	68.8	43.9	105.8	74.0	92.4	76.7	63.4	87.5	67.2	61.8
July 2	75.2	59.1	68.8	43.3	103.7	72.4	92.4	73.7	62.9	87.4	65.8	61.2
July 9	77.8	59.9	69.8	47.4	102.3	76.4	95.3	78.3	65.3	88.8	68.7	63.6

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
July 14	85.34	63.62	60.43	15.99
July 13	86.24	64.16	60.56	16.11
July 11	85.67	64.48	60.87	16.17
July 10	85.67	64.48	60.87	16.17
July 9	85.91	64.64	61.11	16.12
July 8	85.05	64.60	61.03	16.12
Month ago	86.23	71.16	62.94	16.56
Year ago	82.04	101.89	66.39	19.59
High, 1942	98.50	83.71	71.01	18.88
Low, 1942	79.85	61.04	60.25	15.99

Montreal Stock Exchange Averages

	10 Util.	30 Ind.	30 Cnd.	10 Ppra.	15 Golds
July 14	43.5	56.3	53.1	54.83	40.65
July 13	43.6	56.6	52.4	54.83	41.23
July 11	44.1	56.8	52.6	55.45	41.53
July 10	44.0	56.6	52.6	55.01	41.05
July 9	43.9	56.9	52.6	54.40	41.05
July 8	43.8	56.7	52.4	54.02	41.47
Month ago	44.1	58.0	53.4	59.11	45.53
Year ago	45.9	58.9	54.5	69.41	70.91
High, 1942	44.8	60.5	54.7	77.18	54.82
Low, 1942	39.6	55.0	50.0	53.34	36.94

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Wood, Gundy & Company Limited

Market Opinions

Recommendations that investors should be on the lookout for buying opportunities are common again this year. There is emphasis on the likelihood of reactions, influenced by war developments, but greater emphasis on fundamental conditions that eventually should play a stronger part.

Magazine of Wall Street, N.Y.—The recovery trend which began in late April has successfully and convincingly withstood the severe test provided recently by extremely grave war news. We believe the market is a buy on any near-term recession. We think the present risk factor—though not absent—is more apparent than real. Moreover, the situation is as nearly ideal as it could be for making purchases at generally low levels, yet with unusually close allowance for stop-loss insurance, mental or otherwise.

• • •

Brookmire Counselor, N.Y.—The second half of the year is starting with industrial volumes quite high, but with increasing unevenness, and with retail trade in a lull. War news continues to require a realistic attitude and to justify keeping back some cash in active funds; but present well-diversified holdings in armament and inflation-stimulated companies should be retained intact.

THE ONTARIO MUNICIPAL BOARD

NOTICE IS HEREBY GIVEN that the Municipality of the Town of Haileybury has become subject to the provisions of Part III of "The Department of Municipal Affairs Act," (R.S.O. 1937, C. 59), by an Order of The Ontario Municipal Board bearing the date twenty-ninth day of June, A.D. 1942, and from and after the first publication of this NOTICE in the "Ontario Gazette," all actions or proceedings against the said Municipality are stayed, and thereafter no action or other proceeding against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

DATED this 30th day of June, A.D. 1942.

M. B. SANDERSON,
Acting Secretary of the Ontario Municipal Board.

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NOTICE OF REDEMPTION OF DEBENTURES

Pacific Petroleums Ltd.
(Non-Personal Liability)

To the holders of the 6% Secured Sinking Fund Five-year Debentures of the above mentioned company secured by Debenture Trust Deed dated the 28th day of February, 1940, in favor of the Yorkshire and Canadian Trust Limited, trustee.

NOTICE is hereby given that on the 1st day of September, 1942, the said company will redeem all of its said 6% Secured Sinking Fund Five-year Debentures which then may be outstanding by payment of 100.50% of the principal amount of the debentures to be redeemed, together with all accrued interest to the actual date of redemption, at any of the places where the principal of the said debentures is by the terms thereof made payable.

NOTICE is also given that in case such debentures be not presented for redemption on or before the said 1st day of September, 1942, all interest on the said debentures shall cease from and after the said date.

DATED at Vancouver, B.C., this 29th day of June, 1942.

PACIFIC PETROLEUMS LTD.
Per A. P. Bowsher,
Secretary.

The Council of the Town of Fort Frances would like to get in touch with any persons or firms looking towards industrial expansion. Good industrial sites are available on railroad and on Rainy River; power is available at reasonable rates; a thriving town of 5,500 centrally situated. Any one interested should write the undersigned for further information.

J. W. WALKER, Clerk,
Town of Fort Frances, Fort Frances, Ontario.

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Securities Trade Shows Growing Confidence

Investors in U. S. Boost Purchases of Canadian Securities

Two important trends are apparent in Canada's trade in securities with other countries for the first four months of 1942. In the first place there has been a large gain in net sales of Canadian securities, chiefly Dominion and Dominion guaranteed bonds, stimulated by the work of the committee in the second Victory Loan. In the second place, Canada has slowed down the pace of liquidation of holdings of United States securities.

Confidence Grows

Perhaps of greatest significance, however, is the additional evidence which the figures on securities trade for the first four months of 1942 give as to growing confidence on the part of investors in the United States in Canadian securities.

This is made clear from other sources as well. Many Canadian stocks are listed on American exchanges and are traded more or less regularly in the United States. Many Canadian bonds are in a similar position, particularly those which provide for optional payment in U. S. funds. Not so many months ago these securities were traded in the United States at discounts ranging up to 25% or more from their Canadian quotations.

Today, the discount has dwindled until it is probably not more that 15% on the average. Part of this has been due to the fact that the unofficial quotation of the Canadian dollar in the United States has risen until today, and for a number of weeks past, the unofficial quotation closely approximates the official rate.

Net sales of securities by Canada in April were $13.8 millions, an unusually large sum and representing Canada's import of capital from this source. The April figures follow net sales of $23 milllons in March, the Victory Loan month. April figures are featured by concentration on Dominion-guaranteed obligations, this group accounting for $20 millions of the net total. Practically all this trade takes place between Canada and the United States.

Should the trend of March and April be continued throughout the rest of the year, something which it would not be wise to count upon, Canada's securities trade with other countries would exceed its pre-war status as a source of new capital. But even if it returned to the old status so far as amount realized is concerned, it would still be greatly changed in other ways.

Closely Regulated

Primarily this trade is today closely regulated and controlled. The Foreign Exchange Control Board makes as one of its cardinal policies that export of capital from Canada in wartime shall not be permitted on the basis that we have urgent need of all that we can scrape together. Similar control policies in other countries, and particularly in Great Britain, have also meant that what trade remains centres on the United States.

Statistics are not complete. Three major classifications are omitted—sales of new issues to syndicate members resident outside of Canada, redemption of called or matured Canadian bonds and official repatriation operations. Canada has for a number of years been retiring its bonds owned outside of this country at a rate well above flotations of new securities abroad.

Realize $114 Millions

In spite of these limitations, Canada has realized a net $113.7 millions of new capital as a result of sales of securities abroad since the war started. Of this $8.3 millions came in the last four months of 1939, $28.8 millions in 1940, $33 millions in 1941 and already this year $43.6 millions has been realized.

Of this sum, the overwhelming amount has been vital United States dollars. Since the war started there have been net sales of $120.2 millions to residents of the United States, more than offsetting the small balance of net purchases, or export of capital, with other countries, including Great Britain.

Sales and Purchases of Securities
Four Months Ended April, 1942

	Total Sales $ 000	Total Purchases $ 000
Canadian securities:		
Bonds & debents. ..	52,083	11,920
Stocks	3,578	4,633
Other securities	386	380
Total Canadian ..	56,047	16,934
U. S. securities:		
Bonds	1,366	901
Stocks	5,518	1,793
Other securities	367	260
Total U. S.	7,250	2,953
U. K. securities		
Bonds	114	35
Stocks	1	1
Total U. K.	115	336
Other countries:		
Bonds	371	274
Stocks	23	......
Other securities ...	25	......
Total other countries	418	274
Short-term securities .	2	98
Unspecified bonds ...	1,422	968
TOTAL	65,254	21,563

As is evident from the above figures residents of the United States have been buying substantial amounts of Canadian bonds and debentures, primarily government or government guaranteed issues.

At the same time F.E.C.B., while not taking any steps to compel Canadians to liquidate their holdings of U. S. stocks and bonds for the purpose of realizing U. S. dollars, has always managed to see that, on balance, sales of these securities exceeded re-purchases.

This was done by various methods. Canadians are still permitted to exchange one U. S. security for another of the same type. But rarely does such an exchange work out exactly even and the F.E.C.B. requires that any balance shall be a balance in U. S. funds which must be turned over to the board. Then there has been a tendency on the part of many Canadians, who feared elimination of the current premium on U. S. dollars, to take advantage of higher prices resulting from the premium and sell their U. S. holdings.

BUDGET - TAXES - WAR
AND THE MARKET

Letter on Request

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C.P.R. Improves Equities Behind Ordinary Shares

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway ordinary shareholders have not received a dividend since 1931, but the equity behind their security has been improved by several dollars a share.

Capital liabilities of the company reached a peak of $1,006 millions in 1938, according to a special report prepared by the Dominion Bureau of Statistics. Since then capital has been reduced to $958 millions, a drop of over $48 millions. In addition the company had on deposit with the trustee of the 5% equipment notes at the end of 1941 a further $13.1 millions of securities and cash.

The improvement in the position of the ordinary shareholders over the last three years amounts to better than $4 a share.

Further evidence in the ordinary shareholders' position is seen in the table compiled by the bureau showing the trend of fixed charges. From 1938 to 1941 fixed charges dropped $1,896,000. The figure includes a reduction in the guaranteed interest on Soo Line obligations. This works out to 14 cents a share on the ordinary stock.

Since the beginning of the war better than $4 a share has been added to equity, while fixed charges have been reduced by an amount equivalent to 14 cents a share.

I. A. C. Revenue On Fair Scale

Ordinary Business Off Sharply for Industrial Acceptance Corp.

From Our Own Correspondent

MONTREAL.—Industrial Acceptance Corp. current volume of business has been badly hit by wartime conditions, but income is holding up relatively well due to receipt of deferred income. The situation also is improved by broadening of activities of the Campbell Finance Co. in the personal loan field and to the increase in factoring.

Deferred income which is now playing such an important part in revenues represents discount on notes. Some time ago the company decided to amortize this discount over the life of the contract, rather than take the whole amount into current income when the contract was made. As a consequence the company now has a large block of deferred income to draw upon.

The Bondholder

King Edward Hotel 7% bonds were one of the outstanding features of the past week's bond action, moving up to around 16 bid from the nine mark a week ago. Reason for the drive higher was the fact that negotiations are under way which might lead to a cash offer for the organization's assets.

No definite information on the possible size of the offer has yet been made public. Assets consist of furnishings and inventories, equipment and working capital, and constitute the security for the 7% refunding bonds.

Metropolitan Life Insurance Co. holds the first mortgage on the real estate. Since the final order of foreclosure was granted in 1935 the property has been operated under a lease from Metropolitan by National Trust Co. on behalf of the 7% bondholders.

* * *

Brown Co. bonds have been showing a somewhat firmer tendency lately with the bid now up to around 79½. As a compilation made by R. A. Daly Co., reported here last week, noted, this company in comparison with four other leading pulp and paper companies last year showed the highest degree of interest coverage and working capital per bond and the lowest total of first mortgage principal per ton of pulp and paper capacity.

* * *

Representatives of the governments and farm organizations of three prairie provinces have decided to ask Ottawa to set up a tribunal with "appropriate legislative authority" to deal with the debt problems of the prairie farmer.

Commenting on the step, the Regina Leader-Post states that "decisive action of this nature was necessary because, due to recent court rulings, existing western debt legislation stands on a very shaky foundation." Calling the present situation "chaotic" the Leader-Post goes on:

"The western desire for a debt tribunal is not actuated, as some may mistakenly believe, by a wish to make it easy for our farmers to evade payment of their just debts, but rather springs from the compelling necessity for a sound system, unassailable from the legal and constitutional viewpoints, under which the important matter of debts can be dealt with in a manner fair and equitable to farmers and creditor alike."

* * *

Canadian internal loans are up for renewed discussion in New York bond circles. Commenting on the situation the Wall Street Journal says:

"Those bullish on the outlook for Canadian currency have been purchasing Canadian internal bonds as a means of participating in any further gains of value for that currency in terms of the United States dollar. They emphasize that through the bond purchase method the buyer is afforded a return on his funds while speculating on the future course of Canadian exchange.

"The Canadian dollar at present is being quoted at a discount of from 10% to 9⅞%, as compared with a discount of 13½% earlier this year. Some observers foresee possibilities that the Canadian dollar will eventually reach par with the United States dollar, although monetary experts in both countries naturally are chary of making such predictions. One of the most popular Canadian internal issues with U.S. investors at the present time are Dominion of Canada 3s, 1955. These bonds are now being quoted at just under 89 in the New York market, and at 99½ to 100 in Canada.

"Should the Canadian dollar be stabilized on a basis of par with the United States dollar, New York quotations on Canadian internal bonds (payable in Canadian currency only) naturally would move up toward the Montreal quotations."

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Paton Mfg. ...	‡4½%	1956	Sept. 1	103
Gt. W. Sad'y	6%	1948	Sept. 1	105
East. Car	*6%	1952	July 31	105
Ont. Pr. N. Falls .	5%	1943	Aug. 1	†

‡$12,500. *$52,246. †Tenders for $125,000.

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The Great West Saddlery Company Limited

WINNIPEG, CANADA

To the Holders of The Twenty Year First Mortgage Sinking Fund 6% Gold Bonds of The Great West Saddlery Company Limited due March 1st, 1948.

NOTICE IS HEREBY GIVEN that pursuant to the terms of the said Bonds and of the Deed of Trust and Mortgage dated as of the 1st March, 1928, made between The Great West Saddlery Company Limited (hereinafter called the Company) of the first part, and The Toronto General Trusts Corporation, Trustee, of the second part, the Company intends to redeem, and hereby calls for redemption, on September 1st, 1942, all its outstanding Twenty Year First Mortgage Sinking Fund 6% Gold Bonds, by payment of the principal sum of each such bond with a premium of five per centum of such sum and interest on the principal amount thereof accrued to September 1st, 1942, upon presentation, delivery up and surrender of each such bond for cancellation accompanied by all interest coupons belonging thereto which mature on and after the said September 1st, 1942, and together with all unpaid interest coupons, if any belonging thereto which matured on or prior to the 1st day of March, 1942.

Payment of the redemption price will be made at any office in Canada of The Canadian Bank of Commerce.

AND NOTICE IS FURTHER GIVEN that all interest shall cease to accrue as from September 1st, 1942, on all bonds, hereby called for redemption, which are not presented for redemption as aforesaid and delivered up and surrendered on September 1st, 1942, and on all such bonds in respect of which the holder thereof shall neglect or refuse to accept payment of such redemption moneys.

DATED Winnipeg, June 19th, 1942.
THE GREAT WEST SADDLERY
COMPANY LIMITED.
J. C. BROADFOOT,
Secretary.

Company Reports

St. Catherine-Stanley

Further moderate improvement is reported by St. Catherine-Stanley Realty Corp., owners and operators of the Castle Building, for the year ended April 30. Net income was sufficient to provide for all but $90 of full interest and depreciation charges. In the preceding year there was a deficit of $1,952. At present the building is 95% rented.

Feature of the current balance sheet is a reduction in bonded debt to $733,200, as against $813,200 a year ago.

Income and Surplus Account
Years Ended April 30

	1942 $	1941 $
Gross income	97,482	91,898
Less: Expenses	60,466	55,862
Net income	37,016	36,036
Less: Bond interest ..	22,306	23,186
Depreciation	14,800	14,800
Inc. tax prov.	......	2
Deficit	90	1,952
Previous deficit	136,750	107,298
Less: Capital surplus	27,500	......
Deficit	109,340	109,250

Standand Paving

Standard Paving & Materials Ltd. reports volume of work done in the year ended March 31, 1942, in excess of the previous year. Net profit is equivalent to $1.50 a share on the 50,000 preferred shares outstanding. This compares with $1.42 a share on 52,420 preferred shares for the previous year.

Profits for 1942 as calculated here do not include $10,320 termed profit on sale of plant and machinery. Payment of the regular 62½ cent dividend on the preferred left arrears at 31¼ cents a share.

J. F. M. Stewart, president, states the company "is now engaged in a number of contracts and the volume of work on hand is in excess of the work on hand at this time last year."

Consol. Income and Surplus Account
Years Ended March 31

	1942 $	1941 $
Operating profit	256,654	233,771
Add: Other income	19,900	16,063
Total earnings	276,554	249,834
Less: Exec. remuneration	......	......
Directors' fees	......	......
Legal fees	......	......
Depreciation	123,549	116,521
Interest	......	......
Inc. & E.P. taxes.....	76,000	56,614
Amortiz. of patents ..	2,000	2,000
Net profit	75,005	74,699
Less: Preferred divds. ...	31,694	16,381
Surplus for year	43,311	58,318
Add: Previous surplus ..	390,077	331,759
Profit on plant	10,320	......
Earned surplus forward	443,708	390,077
Earned per share:	$	$
Preferred	$1.50	$1.42
Paid	0.62½	0.31¼
Common	$0.33	$0.07
Paid	nil	nil
Working Capital		
Current assets	820,109	692,530
Current liabilities	620,387	435,166
Working capital	199,722	257,364
Balance Sheet Changes	$	$
Cash & call loan	......	39,290
Investments	173,520	101,590
Accounts receivable	495,940	357,930
Deposits on tenders	87,268	118,491
Bank loans	193,695	118,492

Consolidated Sand

Consolidated Sand & Gravel Ltd., Controlled by Standard Paving & Materials Ltd., has less business on hand than at the same date last year, according to J. F. M. Stewart, president.

In the year ended March 31, 1942, the company earned $5.39 a share on 6,902 preferred shares outstanding. This compares with $5.12 a share earned on 7,229 preferred shares in the previous year. Arrears on the preferred are unchanged at $42.25 a share.

Capital surplus account has been changed with $162,951 being the difference between net book value of land, gravel deposits, buildings, plant and equipment and value thereof as appraised by the company's officials at March 31, 1939. A balance of $24,816 is left in this account.

Income and Surplus Account
Years Ended March 31

	1942 $	1941 $
Operating profit	130,963	144,420
Add: Other income	8,611	7,774
Total earnings	139,574	152,194
Less: Exec. remuneration	......	......
Directors' fees	......	......
Legal fees	......	......
Depreciation	44,898	72,234
Interest	......	......
Income and E.P. taxes	57,421	42,936
Net profit	37,255	36,994
Less: Preferred divds. ..	49,367	34,444
Surplus for year	*12,112	2,550
Add: Previous surplus .	12,496	9,946
Earned surplus forward	384	12,496
*Deficit.		
Earned per share:		
Preferred	$5.39	$5.12
Paid	7.00	4.75
Working capital	283,506	272,696

Ontario Hydro Revenues Reach New Peak in 1941

Operations of Hydro-Electric Power Commission of Ontario are carried on under the principle of "service at cost." Thus there are certain differences in its accounts from those of a company doing the same job.

The report for the year ended Oct. 31 last shows record gross and net income for Ontario Hydro. It shows debt reduced and reserves, or surplus, increased. Ratio of debts to assets is now 56.9%. Fixed assets are up $14.3 millions.

For the co-operating municipalities, Hydro's "subsidiaries," revenues and surplus are both higher. Consolidated debt has been cut by $2.8 millions.

Ontario Hydro rebates any "surplus" to subsidiary municipalities. Any surplus for a year results from the fact that final adjustment of charges made against the municipalities for power sold to them is made each year in the light of power consumed during the year. Thus all income over actual costs is appropriated each year.

Ontario Hydro operates four systems of its own—Niagara, Georgian Bay, Eastern Ontario and Thunder Bay—and operates the Northern Ontario Properties as trustee for the province.

The consolidated income account shown here covers the owned systems only, as do the figures for the consolidated balance sheet. Hydro treats its sinking fund as a current item, not a capital item as would an ordinary company. Treating this sinking fund in the usual way would increase the amount shown here for net profit by $2.9 millions in the latest year. Renewals provision corresponds closely to ordinary depreciation and would be a charge against current income under any system of accounts.

Large Funds Reserved

Hydro has a rate stabilization fund and contingency and obsolescence reserves, the latter depending on the amount of earnings available each year. Rate stabilization fund is set up to permit maintenance of regular rates to consumers during periods of lower earnings, a function closely allied to the earned surplus of a company. Its obsolescence reserve may be to a large extent an ordinary charge against earnings.

As at Oct. 31, 1941, Hydro showed current liabilities $2.1 millions greater than current assets, but it also had specific reserve funds invested to the amount of $45.6 millions, an amount which might be considered as a part of working capital.

Hydro has made good progress over the past few years in reducing its debt, ratio of funded debt to total assets being 56.9% at Oct. 31 last against 61.6% in 1940 and 63.8% in 1939.

Municipal Accounts

For the co-operating municipalities last year was also one of rising revenues, reduced debt and strengthened surpluses. The whole group shows a ratio of funded debt to assets of 14.6% at Dec. 31, 1941, against 17.4% in 1940 and 19.3% in 1939. No exact comparison of revenues and balance sheet positions can be made between the municipalities and Hydro as their respective years do not end at the same date. The accounts of the municipalities are made up as of Dec. 31 and Hydro as of Oct. 31. Sales to rural power districts, to large industrial consumers and certain other items are also included in the main statement.

ONTARIO HYDRO
Income Account
Years Ended Oct. 31
(Includes Niagara, Georgian Bay, Eastern Ontario and Thunder Bay Systems)

	1941 $	1940 $
Gross revenue	43,596,090	37,399,536
Less: Power purch.	9,046,129	8,390,531
Oper., maintenance, administration ..	7,086,664	6,720,653
Interest	12,733,859	12,650,700
Net income	14,729,438	9,637,652
Less reserves:		
Renewals	2,409,572	2,275,830
Sinking fund	2,925,746	2,829,935
Net profit	9,394,120	4,531,887
Less appropriations:		
Conting. & obsol. .	6,109,585	949,321
Rate stabiliz.	2,601,346	3,178,405
Return to munic. .	683,189	404,161
Balance	nil	nil

Consolidated Balance Sheet

	1941 $	1940 $
Fixed assets	295,854,595	281,539,497
Invest., inventories, deferred assets ..	7,967,615	11,884,507
Current assets	7,831,791	7,526,719
Res. and sink. funds	54,483,711	55,370,827
Total assets	366,137,713	356,321,550
Funded debt	208,578,511	219,428,608
Suspense and other items	1,647,531	1,420,696
Current liabilities ..	9,943,173	5,390,250
Reserves	83,543,112	72,903,791
Sinking fund res. ..	62,425,386	57,178,205
Total liabilities ..	366,137,713	356,321,550
% funded debt to total assets	56.9	61.6

MUNICIPALITIES CONSOLIDATED
OPERATING REPORT
Years Ended Dec. 31

	1941 $	1940 $
Earnings	41,062,981	38,025,287
Less expenses:		
Power purchased .	26,017,261	23,756,863
Oper., admin., maintenance	11,768,798	6,114,892
Interest	1,027,985	1,464,381
Sinking fund	2,248,937	2,389,724
Deprec. and other reserves	2,933,731	2,644,127
Surplus	2,499,775	1,655,300

Consol. Balance Sheet

	1941 $	1940 $
Total plant	101,088,593	97,914,200
Equity in H.E.P.C. systems	52,458,225	52,457,677
Current assets	23,216,273	22,212,310
Total assets	176,763,091	172,584,735
Funded debt	17,805,415	20,636,363
Current liabilities ..	6,378,023	6,287,275
Reserves:		
For H.E.P.C. equity	52,458,225	52,457,677
Depreciation	27,795,986	25,733,628
Other	3,592,385	3,326,592
Total reserves ..	83,846,596	81,517,897
Surplus:		
Debentures paid ..	39,943,341	37,245,923
Local sink. fund .	5,530,648	5,829,574
Oper. surplus	23,259,069	21,067,703
Total surplus ..	68,733,057	64,143,200
Total liabilities	176,763,091	172,584,735
% net debt to total assets	14.6	17.4

Bond Tenders

4 p.m., July 20, Saint-Hyacinthe, P.Q.—$40,500 3½% as follows: $15,500, dated Feb. 1, 1942, redeemable serially from Feb. 1, 1951 to 1962; $25,000, dated Aug. 1, 1942, redeemable serially from Aug. 1, 1943 to 1962. M. A. David, clerk.

5 p.m., Aug. 3, Granby, P.Q.—$10,000, 3½% or 4%, dated July 1, 1942, redeemable serially from July 1, 1943 to 1962. A. Montfils, sec.-treas.

July 16, Canada Treasury Bills—$45,000,000, dated July 17, 1942, payable Oct. 16, 1942.

Vancouver Offers New Bond Issue

To fund a bank loan created for capital expenditures the City of Vancouver is offering an issue of $2,914,913 3% and 4% bonds maturing serially from Aug. 1, 1943 to 1965.

A total of $1,225,913 3% bonds maturing serially 1943-48 have been sold. The balance of the issue, carrying a 4% coupon is being offered at prices to yield 4% to 4.25%.

The offering syndicate is composed of Lauder, Mercer & Co.; Cochran Murray & Co.; Pemberton & Son (Vancouver) Ltd.; James Richardson & Son; McMahon & Burns Ltd. and Western City Co.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Kincardine, Ont.	June	McLeod, Young, Weir & Co.	4%	15-ins.	$18,000	104.78	3.33%
Hamilton (Treasury Bills)	July	Gairdner, Wardrop & Co.	....	Oct. 5, '42	300,000	.....	1.0%
Village of Forest Hill, Ont.	July	J. L. Craig	3½%	10 & 15 yr.	76,375	101.86	.....
Vancouver, B.C.	July	Lauder, Mercer & Co. and Syndicate	3%	......	1,225,913	.....	.....
			4%	1943-65	1,689,000	.....	*

* Offered to yield 4 to 4¼%.

NEW ISSUE—

$2,914,913.10

City of Vancouver

Serial Debentures

To be dated August 1st, 1942. To mature serially August 1st, 1943-1965

Principal and half-yearly interest (August 1 and February 1) payable in lawful money of Canada at the offices of the City's Bankers in the cities of Vancouver, Victoria, Calgary, Regina, Winnipeg, Toronto, Montreal and Halifax at the option of the holder. Coupon debentures in the denominations of $500 and $1,000 with provision for registration as to principal.

Legal Opinion: Messrs. Farris, Farris, McAlpine, Stultz, Bull & Farris, Vancouver, B.C.

In the opinion of Counsel these Debentures will be direct obligations of the City of Vancouver and will be a charge as to principal and interest on the Consolidated General Revenue Fund of the City. The proceeds of this issue will be used for funding a Bank Loan created for capital expenditures.

SCHEDULE OF MATURITIES

Maturity	Amount	Coupon Rate	Price	Yield
Aug. 1st, 1943	50,913.10	3%	SOLD	
“ “ 1944	125,000.00	3%		
“ “ 1945	225,000.00	3%		
“ “ 1946	275,000.00	3%		
“ “ 1947	275,000.00	3%		
“ “ 1948	275,000.00	3%		
“ “ 1949	200,000.00	4%	100.00	4.00
“ “ 1950	200,000.00	4%	100.00	4.00
“ “ 1951	200,000.00	4%	100.00	4.00
“ “ 1952	200,000.00	4%	100.00	4.00
“ “ 1953	70,000.00	4%	99.00	4.12
“ “ 1954	70,000.00	4%	98.75	4.13
“ “ 1955	70,000.00	4%	98.50	4.15
“ “ 1956	70,000.00	4%	98.25	4.17
“ “ 1957	70,000.00	4%	98.00	4.19
“ “ 1958	70,000.00	4%	97.75	4.20
“ “ 1959	70,000.00	4%	97.50	4.21
“ “ 1960	70,000.00	4%	97.25	4.23
“ “ 1961	69,000.00	4%	97.00	4.25 (approx.)
“ “ 1962	65,000.00	4%	97.00	
“ “ 1963	65,000.00	4%	97.00	
“ “ 1964	65,000.00	4%	97.00	
“ “ 1965	65,000.00	4%	97.00	

All prices are "and accrued interest".

We offer these debentures if, as and when issued and accepted by us, subject to the approval of Counsel.
Subscriptions will be received subject to rejection or allotment.
It is expected that debentures in definitive form will be available for delivery on or about August 1st, 1942.

COCHRAN, MURRAY & COMPANY LTD.
PEMBERTON & SON (VANCOUVER) LTD.
JAMES RICHARDSON & SONS
LAUDER MERCER & COMPANY LIMITED
McMAHON & BURNS LIMITED
WESTERN CITY COMPANY LTD.

The statements contained herein are based upon information which we believe to be reliable, but are in no event to be construed as representations by us.

The Editorial Page . .

Why Hide Bad News?

When will the military spokesmen for the United Nations learn that the worst possible preparation for bad news is a glowing word picture of imminent success or a statement that all is well? Yet this sort of thing has occurred again and again.

Even after the French defenses had hopelessly crumbled, we were led to believe that a great successful counter-offensive was under way. The situation at Singapore was completely glossed over until suddenly we realized that that mighty fortress was doomed.

The annihilation of the allied fleet off Java was first announced by the United Nations as a smashing victory, despite Japanese claims to the contrary.

Not until three weeks after the Japanese had gained a toehold on the Aleutians was this advance admitted to the American public, though here again Tokyo had broadcast the information shortly after the landing was made.

The latest example of this dangerous practice occurred during the early stages of the disastrous reverses in Libya. At first we were told that the summer heat had virtually ended any possibility of an offensive by either side. Then after Rommel commenced his lightning attack, and had pierced the mine fields, we were assured that he had been soundly whipped. When Tobruk fell a few days later the public was stunned.

Throughout this war the British, Canadian and American publics have demonstrated that they can absorb bad news just as they have absorbed staggering taxes. They realize, in spite of the rosy hopes portrayed at the beginning of the war, that we are up against formidable adversaries. The people of the United Nations are prepared for a long, hard fight, for discouraging reverses and heavy losses before final victory can be won. Optimistic spokesmen who continually encourage hopes of short-cut victories, and especially so when news of the opposite nature is in the making, are only adding seriously to our troubles and damaging rather than boosting our morale. Nothing is to be gained by fooling ourselves. Much is to be gained by hearing and digesting the disagreeable facts.

Manager Writes for Managers

Some hard, straight talking to management was done by J. W. Horsey, dynamic, rotund president of the 273-unit grocery chain, Dominion Stores, Ltd.

The main point he makes in an article for the Quarterly Review of Commerce (University of Western Ontario) is that businessmen should not only do more hard planning, but, more important, that they should have the energy and courage to act on the results of their planning. As a corrollary Mr. Horsey preaches the gospel of constant acceptance of and adjustment to change. He says:

> "What really happens in the history of a business? A policy is developed which proves successful. In spite of everything we refuse to change it, believing that success comes only from developing an idea and then sticking to it. We are unwilling to submit the policy or idea to analytical study, and we stay with it until the very policy which made the business successful originally ruins it. Why? Because we are afraid of change. We refuse to look for the truth about ourselves and our business. We refuse to accept the truth when it is impressed upon us. We are tied to tradition and unfortunately would rather fight for our theories than for our business.
>
> "Management cannot be described as the ability to develop an idea and then sit on it, enforcing it until death. Success in management in the future will be determined largely by the ability to change when all evidence points to the absolute necessity for a change.
>
> "Men may be unable to contribute to rebuilding not through lack of ability but because of long association with obsolete ideas and with inefficient people whom they loyally feel they should protect."

Mr. Horsey maintains that constant, objective analysis, readiness to act on the consequence of that analysis, acceptance of change is essential, not only for successful business, but that it is the keystone of effective government administration and successful individual lives.

In the case of his own company, analysis has resulted in sacrificing some 50 per cent of the store units formerly operated. He writes:

> "We do not advocate change for the sake of changing, but rather the acceptance of the principle in sound and effective management. I can say truthfully that if there is one thing I have learned during the past three and a half years spent in the chain store business, it is the imperative need for change as a factor in progress and, on the other hand, the almost absolute refusal on the part of most operators to accept this principle."

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with postwar employment and relief problems.*

How Can He Reconcile This?

For a couple of paragraphs at the close of his final speech on Bill 80 Prime Minister King sounded like a complete convert to an all-out war effort.

His words are all the more remarkable because of the cause they were intended to plead. How anyone could recite the following and then, like Mr. King, fly in the face of the very clear implications of these words is astonishing. He said:

> "The machines and weapons of modern war have annihilated space; they have all but destroyed time. Remoteness and distance provide no protection. In this war 'overseas' has in reality lost its meaning. The conflict is one, single and indivisible, whether it is fought on the sands of Egypt or on the steppes of Russia, in the depths of China, on the islands of the Pacific, in the Arctic wastes or in the skies over Britain and Germany and the conquered countries of Europe. There can be no security for us, for our homes and families until the forces of the enemy are defeated and crushed.
>
> "The government and people of Canada have a heavy responsibility to the half million young Canadians who have offered their all for our safety. We owe them all that we can give. Wherever they are fighting they are fighting for Canada, for their own country, for its safety and for its future as well as for freedom for other lands. That future is in our keeping and we, in this parliament, owe it to our gallant young men, when the war is won, to hand on to them, so far as it lies within our power, a free and united Canada."

Perhaps no one has made a finer statement of our real situation. Indeed, "In this war, 'overseas' has in reality lost its meaning."

But how is Mr. King able to reconcile these words with his pussyfooting and stalling?

Let the Punishment Fit

If Gilbert and Sullivan were alive today, they would be valuable members of the Wartime Prices and Trade Board, for to them could be entrusted the job of making the punishment fit the crime. Many Montrealers think such a combination is needed. Recently a well-known night club in that city undertook renovation at a cost of $60,000. The owners of the club disregarded the government regulation requiring a permit for repairs costing over $2,500. When brought to court by the W.P.T.B. they pleaded guilty. The court imposed the maximum penalty—$500 and costs with the alternative of seizure to satisfy the judgment.

This is the first case of its kind in Canada and the public reaction has not been too favorable. Had the owners applied for a permit, it is very doubtful if permission would have been given to spend $60,000 or any sum like it for renovating a night club.

This case indicates that any other individual or corporation putting personal gain ahead of the war effort can follow the example of this night club, knowing that under the law the penalty can be no greater than the nominal sum of $500.

There is something radically wrong in a situation like this, especially as the owners were able to complete such renovation before legal action was instituted. How did they get the necessary materials?

There are many important principles in this affair. They should not be passed over with a mere fine. If the regulations will not permit a more severe penalty, then let us have another Order-in-Council so that the "punishment will fit the crime."

Gas Rationing Puzzle

Among the many confusing things about oil control in Canada is this. Several similar cases have come to our attention. Some motorists first got a high category ration book. Eventually the high ration was recalled. They were issued new gas ration books of the A category. Surprising to relate, however, the new A books were virgin in every respect. Not a coupon has been removed, despite the fact that drivers who had started off with an A ration had already expended eight or a dozen of their coupons. These people, therefore, are a good six weeks behind other A drivers in their coupon consumption. Does it make sense?

They Didn't Bite

Another indication that terrorism and the policy of extermination is a boomerang for the Nazis!

Largely unnoticed in the rush of daily war news has been a significant change in the attitude of Germany toward conquered Poland. According to the London Economist determined but totally unsuccessful efforts are being made to reverse the original policy of race extermination. Instead some sort of a restricted puppet state of a standing "not far inferior to that of Vichy France" is being fostered.

In return for its generosity, of course, Germany would expect collaboration. The Poles have been told that they would have nothing to lose from such a settlement in the event of a United Nations victory. In fact, suggests the tempter, through the reorganization of government machinery and the saving of the remnant of its leaders from the Nazi firing squads, Poland might be in a better position to hold its national independence in the face of Russian postwar demands

Though certain news despatches from Germany have pretended to indicate a change in heart regarding the reign of terror inflicted on Poland, most observers will agree with the Economist that the real reason for the change is the military necessity of protecting communication lines. Germany would give perhaps even the remaining loot in Poland if her long lines into Russia could be freed of the constant danger of sabotage.

To the credit of our first active ally in this war the Poles have refused the Nazi bait.

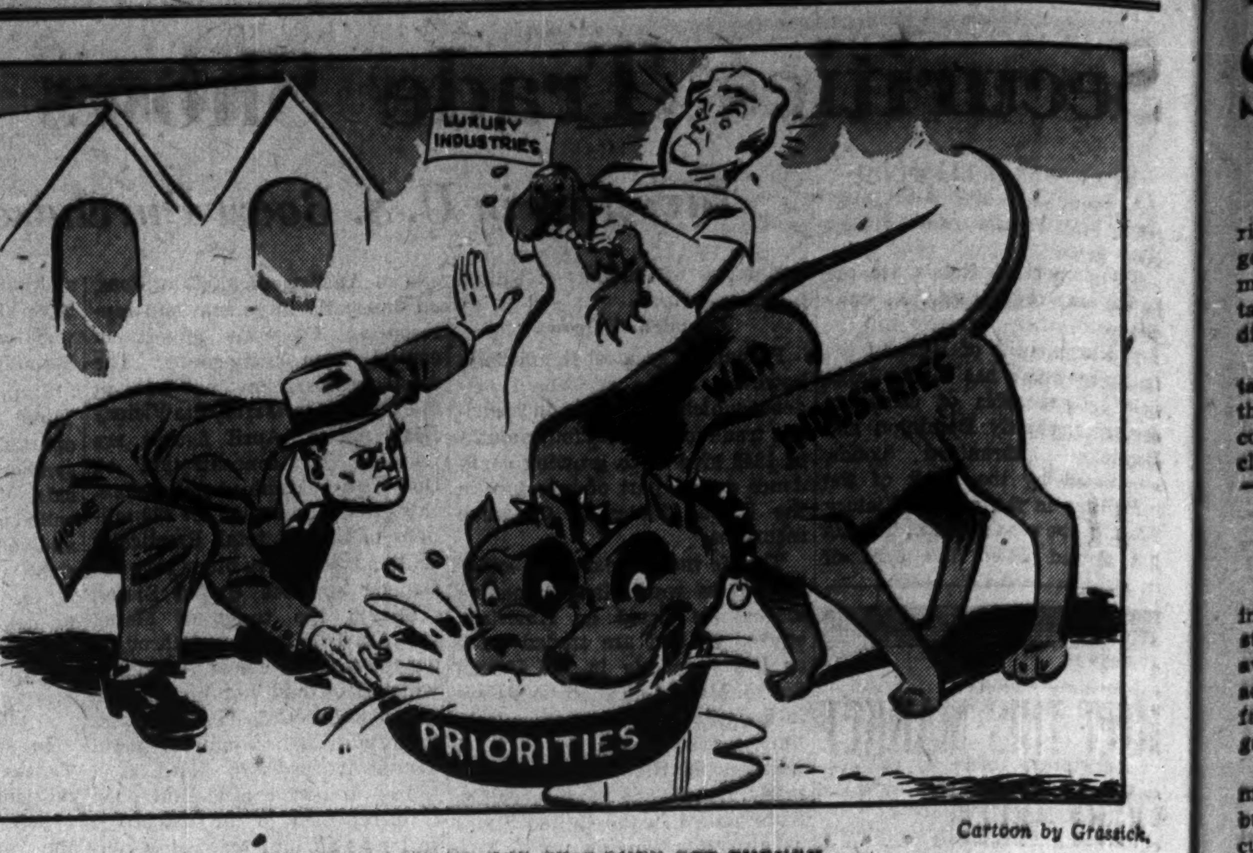
Editorials in Brief

War winning economies threatened recently to involve a drive to get men back into nightshirts. Officials in the U. S. examined the situation cautiously and compromised with our times and mores by deciding to take the collars and pockets off pyjamas; by shortening pants and tops.

Polls on male bedtime sartorial habits have been taken in the U. S. and will likely have fair accuracy for Canada. Here is the result as reported by The New York Times:

Styles, males	%		%
		Underwear	6
Pyjamas, complete	38	Knee length pyj.	5
Pyj. pants, no tops	33	Pyj. tops, no pants	2
Raw	15	Nightshirt	1

The one per cent nightshirt devotees are, we suspect, a very interesting group of citizens. The nightshirt list for Canada would include some very well-known names.



Cartoon by Grassick.

NOT MUCH LEFT BY THE TIME THEY GET ENOUGH

Post-Scripts . . . . .

History Repeats

Political events have a way of repeating themselves. Fifty years ago Dr. L. D. Keown was elected president of the Northwest Territories Conservative Association. Today his son K. E. Keown, K.C., a barrister of Melfort, Saskatchewan, has been named president of the Saskatchewan Conservative Association.

DR. KEOWN

Mr. Keown the younger who is now leading Saskatchewan Conservatives enters the political scene just as the underlings of the more belligerent type of politicians are dusting off the political drums. There is talk of an election in the province this fall if the crop is good. On the other hand Mr. Keown in a statement on party policy says: "I would favor the postponement of a provincial election for some considerable time. If the government sought to extend the present Legislature the Conservative party would support that action. Our citizens, are concerned that there should be no controversies which will divert them from the main task of united war effort."

Mr. Keown does not leap from nowhere into the leadership of the provincial Conservative party. He was president in 1936 and 1938 and was the immediate past president when chosen as party leader. His political ambitions received their first test back in those famous federal elections of 1925 and 1926 but the time was not ripe apparently for his debut into the "charmed circle" of members of parliament.

He was born in Moosomin, which is on the main C.P.R. line between Winnipeg and Regina and received his early education there. Turning to law he completed legal training in 1914 at Saskatoon and practiced a short time. Then he joined the 68th. Battalion, went overseas and came back a major.

On the legal side of life Mr. Keown has practised in the Melfort district since 1921 when he formed the present firm of Keown, Crawford and Allan. Before then he had practised with the Regina firm of Gordon and Gordon and later with Gordon, Gordon, Keown and Collins.

He has been active now more than 20 years in various organizations among which is the "On-to-the-Bay-Association," the Melfort Board of Trade. He has also been a town alderman and has had an active part in numerous other district affairs. At present he is a member of the soldiers' dependents allowance committee for northern Saskatchewan.

• • •

Priorities Chief

As Canada swings into line with the United States in wiping out the 49th parallel so far as war production priorities are concerned, the man who carries major responsibility for this country is W. E. Uren, a native-born South Dakotan, who came to Canada at 23 years of age at the beginning of the last war and has lived here ever since.

Round about October, 1940, when the Department of Munitions and Supply was looking for a priorities adviser, it turned to Mr. Uren.

For 4½ years in the last war, he worked on the allocation and supply of munitions orders, first with the Shell Committee at Montreal, then at Ottawa, and latterly in charge of Allocation and Distribution of Steel and Forgings.

After the Imperial Munitions Board disbanded late in 1919, he was Canadian manager at Toronto for Briggs and Turivas of Canada, dealers in new and scrap metals. Until the market collapse of the thirties, he was in the brokerage business at Toronto. Later he conducted market surveys for Goodyear Tire, British American Oil and other corporations.

For five months after he came to Ottawa in the fall of 1940, Mr. Uren was priorities adviser to the Munitions Production Branch of M. & S. In February, 1941, a priorities division was set up with Mr. Uren as executive assistant to R. C. Berkinshaw, priorities officer. In September of that year he was named Deputy Priorities Officer and in May, 1942, he was given complete charge of Priorities.

In the last few months he has been largely responsible for the changeover now taking place from a "priorities" to an "allocation" system.

Mr. Uren started out in the Arts and Medicine course in Michigan University, but didn't like the idea of being a doctor. He switched to arts and science and graduated with a B.Sc. He came to Canada originally to work in a department store in Montreal. Then war broke out and he signed up with the Shell Committee.

His motto, which hangs on the wall behind him in No. 3 Temporary Building at Ottawa: "The Difficult We Do Today. The Impossible Takes a Little Longer."

• • •

Sayings of the Week

"Every farm should have someone on it who doesn't do anything but think. No work of any kind. No bending over. Just thinking." — *Prof. Henry Keller, economist.*

• • •

"Perhaps the most disquieting feature of this whole situation is the extent to which we have come to acquiesce without question in the multitude of controls — apparently afraid that any questioning of them is unpatriotic."—*J. M. Macdonnell, president, National Trust Co.*

• • •

"She (Canada), is a magnet exercising a double attraction, drawing both Great Britain and the United States towards herself and thus drawing them closer to each other. She is the only surviving bond which stretches from Europe across the Atlantic Ocean. In fact, no state, no country, no band of men can more truly be described as the linch pin of peace and world progress." — *Winston Churchill writing in the Saturday Evening Post in 1930.*

• • •

"This war can't be won if it is fought as the private affair of the bureaucrats and fighting services. I am not sure that people need so many exhortatory appeals, or that it does very much good to make general charges of complacency. People want to be told what to do and why. Every man, woman and child must be made to feel that in total war everyone serves, whether making a home or piloting a bomber."—*Brooke Claxton, M.P.*

For Pacific Defense

Most outspoken and consistent advocate of strong defenses on Canada's west coast is Howard Charles Green, Vancouver's hard-working young member of the House of Commons who has gone a long way in politics since that night in October, 1935, when he was somewhat surprised to find himself elected.

MR. GREEN

Six years in active politics usually count for little in the life of the average federal politician. After six years most parliamentarians are just beginning their way around in Ottawa and they count themselves lucky if their opinions are accepted in influential company.

But Howard Green, for all his quiet manner and characteristic unobstrusiveness, has taken many of the short-cuts and all of them by dint of sheer ability and industry. At no time has he "promoted" himself; he seldom "sounds off for effect." But down in Ottawa they have a real respect for the Vancouver Conservative, and out on the coast he has built up a reputation to the point where friends openly speak of him as the next national leader.

Already, too, many easterners are referring to Howard Green as the ablest private member in the House, and one of the most fearless in debate. He has been one of the sharpest critics of the Mackenzie King administration, especially in its handling of the defense situation.

Long before Japan entered the war Mr. Green was urging more adequate protection on the Pacific coast and it was largely due to his efforts that Ottawa took steps to remedy the situation. But Mr. Green is still not satisfied. Only a few days ago he was pleading with the government to take a more realistic attitude toward the fast-spreading war in the Pacific. He asked that an army be established in British Columbia strong enough to play an important part in offensive action against Japan through Alaska and Siberia.

Born in Kaslo, B.C., during the days of the mining boom in the Kootenay country in 1895, Howard Green received his early education in the public schools there. Then he went to the University of Toronto.

He went overseas before undertaking his chosen career as a lawyer and served in the last war with the 54th Kootenay Battalion.

Returning to Canada, he went to Osgoode Hall where he studied with the veterans' class, and then he went back to his native British Columbia where in 1922 he was called to the bar and became a junior partner in the firm of Ladner & Cantelon. Leon Ladner was then a Conservative member of the House of Commons and the young lawyer gained his first contact with politics. In 1926 Mr. Green formed his own law firm with F. K. Collins which flourishes today in Vancouver under the name of Collins, Green & Eades.

In the 1935 election Mr. Green was Conservative candidate for Vancouver South and while his name was a new one in politics he had little difficulty in winning the seat. His record as a hustling representative made victory in the last general election even easier.

Married in 1923, the Greens have two sons.

Other People's Views . . . . .

The Canadian Editorial of the Week

No Yardstick, No Audit

Vancouver Sun

J. M. Macdonnell, one of Canada's most enlightened businessmen, said recently: "It becomes increasingly difficult to get information from government departments, particularly if any mistakes have been made. It is perilously easy for those who have made a mistake to feel that it will give comfort to the enemy if the mistake is acknowledged. We are asked, without any yardsticks, to assume efficiency."

Mr. Macdonnell might have gone farther and observed that Parliament seems to have despaired of getting information on financial matters. It is now authorizing expenditures of $3,900,000,000, more than seven times the pre-war total. Yet if Parliament follows its recent practice it will not bother to review the government's expenditures after they have been made. Its Public Accounts Committee will not meet to look over the government's accounts. It has not met for about ten years.

The principle of audit has been abandoned. What would happen to any private business which abandoned its audit is easy to imagine. At a time when the government's non-war expenditures are rising rapidly— though each dollar thus spent is a dollar less for the war—Parliament might well spend more time auditing than orating. But auditing is hard, dull work and oratory at least offers a little excitement and some opportunity for the ego.

The assumption of socialists who ask us to scrap private industry altogether is that government will be more efficient in management. We have no sure way of knowing, for the efficiency or inefficiency of government cannot be gauged. It is hidden, as Mr. Macdonnell says, by lack of a yardstick of comparison. But most Canadians have their private suspicions about it.

As Others See Us

Steel Scrap Blitz Coming

New Glasgow News, N.S.

The Financial Post states a "steel scrap blitz" campaign is to be started soon and that upon it will depend the amount of steel required for the nation's war effort.

The move cannot come too soon, because steel scrap can still be seen rusting away, particularly in the rural districts. Here in this country we have been doing a relatively good job on salvage for nearly two years, but there are lots left yet. Unfortunately the "blitz," if it comes soon, will see schools closed and to our minds the best effort can be made by the youngsters, either bringing in the lighter bits or reporting where the bigger stuff is to be found.

The government's salvage policy all along has been happy-go-lucky. Perhaps it is beginning to wake up. Since scrap collection to a large extent affects total steel production, a shake-up in the national outlook on returning waste to usefulness cannot be delayed any longer.

And, incidentally, the authorities in charge had best get the facts straight before they tell the public. For a while there was a frantic call for paper—to be followed by announcements in various parts of the country that the warehouses were overloaded; now most of us haven't the faintest idea whether we should be saving or burning it.

• • •

Quebec Appeasement Fails

Woodstock Press, N.B.

The Financial Post declares that the policy of Prime Minister King with French Canada has failed, and the only consideration now is how best to win the war. The Post calls attention to the dangers ahead.

"The plebiscite has advertised our national split to the whole world. It has publicized our weakness. Prompt and decisive measures are imperatively needed to recover our prestige, to remove a menace to our national morale.

"Further procrastination will not heal the wound opened by the plebiscite, it will only aggravate it. There is a distasteful but vital job to do and the sooner it is faced and done the sooner can we start to forget the present controversy."

The Post further declares there is no substitute for courageous forthright leadership, facing the issue, and that is what Canada is not getting in the present dire period.

Vacillation, compromise and political appeasement are the dominant weaknesses in the present set-up. There are not a few Canadians who do not hesitate to use the word, cowardice.

• • •

Saving Ottawa Money

Brantford Expositor

The Financial Post fairly concludes that enforcement of necessary measures, such as rationing, depends upon how well the Government has done the job of explaining in advance. "What it spends on sound advertising," The Post points out, "it can save many times over on enforcement costs."

This is the democratic way. As it turns out it is the best way from a straight business standpoint as well. The fact will not be lost upon those charged with the administration of the country's affairs.

• • •

Not Conducive to Pride

Wolfville Canadian

Numerous and often severe criticisms have been heard in Canada regarding the programmes sent out over the national broadcasting system. If at times these criticisms may have been unjustified there is no reason to doubt the frankness of the statement lately made by the chairman of the commission to members of parliament. Here is what he said: "The C.B.C. runs certain commercial programmes which an intellectual would consider common and vulgar because such programmes draw the greatest number of listeners and enables the national network to compete with private stations for an audience."

While the honesty of the man may be admirable it seems to indicate an entire lack of the responsibility of his post. When Canada as a nation entered into the broadcasting business it was not to compete with private stations but to provide for its people a service of which they might not be ashamed. That is what these people are paying for annually through taxation.

As The Financial Post, of Toronto, very properly says regarding this policy: "If common vulgarity is the price of nationalized radio there is little in it to arouse the pride of Canadians."

• • •

Post-war Reconstruction

Halifax Chronicle

Last year Parliament chose a small permanent advisory group to examine into the problem of postwar reconstruction and appointed Dr. F. Cyril James, Principal of McGill University, to act as Chairman. Recently, Dr. James, speaking as the representative of the Parliamentary Committee on Reconstruction and Re-establishment gave Canadians their first insight into the shape of things to come.

Indicative of the manner in which the committee approached its study is this quotation from Dr. James:

"We felt that there should be one clear key, one nucleus to which everything else was related; and for our Committee that nucleus has been the attainment of full employment within the Dominion of Canada . . . coupled with the idea of an increase in our standard of living."

Commenting on Dr. James' remarks, The Financial Post of June 13 notes that they "have the merit of being tentative." In this respect the entire work of the committee is of importance for that group lends some kind of official cohesion to the many groups and individuals who are seeking to analyze present and past conditions in the hope of anticipating, and preparing for, future trends. To some of the Committee's deductions and solutions we may quite understandably take exception. But if one thing was noted when Dr. James appeared before a Parliamentary committee it was the fact that his group were very desirous of encouraging open and free comment upon their observations with the goal of arriving at the best possible plan with which to take up the task of postwar organization and reconstruction.

• • •

What the Papers Are Saying

Money for War — Not Waste

Vancouver Sun

Canada will spend the staggering sum of $3.9 billions during the current fiscal year, nearly eight times our normal peacetime expenditure. To raise that money the Canadian taxpayers must alter their whole way of life. They have every right, therefore, to demand that none of the money raised so painfully shall be wasted. They have every right, on their common observation, to believe that much is being wasted.

Since most of our money now goes into war, it is in the war budget that the chief savings should be possible—and they are made all the more essential by the obvious fact that next year's war expenditures will advance again. We can not hope to ease our burden. We can only hope to get a maximum of war effort for our money.

• • •

Conscription

The Country Guide

It is now perfectly clear that the government will not adopt conscription if it can possibly avoid it.

What is likely to happen is that Canada will not have conscription for overseas service unless a grim possibility becomes a reality and the replacement of casualties makes it imperative. That happened once before, just 25 years ago.

The Mackenzie King administration is firmly entrenched in power. But this war has produced changes compared with which a change of government at Ottawa would be insignificant. This country has not yet felt the full impact of the conflict. When it does the will of the majority of the Canadian people, clearly indicated by the vote on the plebiscite, will find expression in action.

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Supply Problem Hits Women's Clothiers

By **ARTHUR D. ELLWOOD**

A continuous and substantial rise in sales volume, coupled with good gross margins, can offset many of the difficulties which retailers meet under wartime conditions.

This combination has helped retailers of women's clothing. That their sales have gone up, the accompanying chart illustrates clearly.

When employment started to rise and larger payrolls began to circulate in Canada, women rushed to renew their wardrobes, to buy more clothing and, in many cases, better clothing. Sales volume went up, relatively slowly at first, accelerating over the past year.

Result has been generally prosperous conditions in the women's wear retailing business. Most of them will have a profitable year in 1942 and in 1941 probably came close to setting records for their particular business.

What the future holds is causing some of the more farseeing proprietors of individual stores and chains some worry.

Increasing difficulty in obtaining stock of goods is becoming more important. Outstanding example is women's hosiery. First, silk hosiery disappeared. Then nylon enjoyed a brief and exciting splurge as a substitute, but this is no longer available. Lisle hose are now getting hard to buy. Supplies of best grades of lisle and rayon yarns such as Bemberg, much of which used to come from Britain, are dwindling. It takes fine quality lisles to make a chiffon type of stocking, what the majority of women seem to want.

What will happen from here on is difficult to say. Ordinarily summer sales stress the lighter colors and shades, but this year dark colors are selling freely.

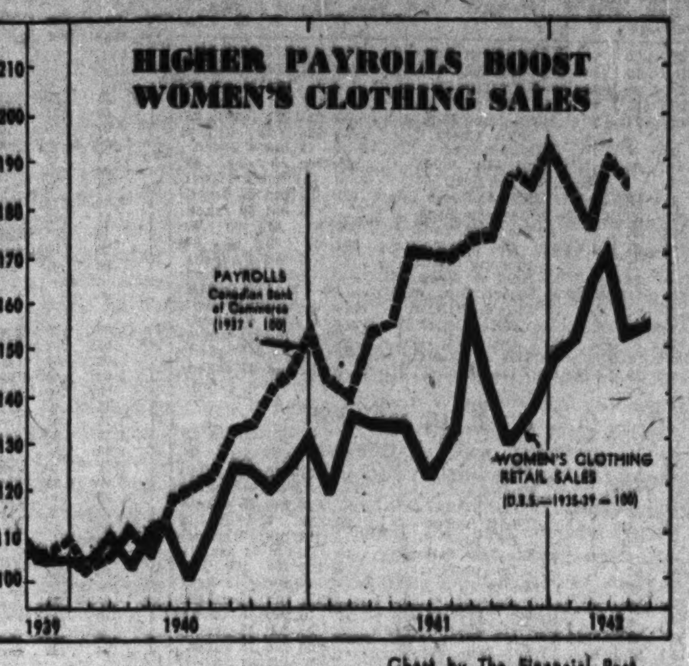

Chart by The Financial Post

Early Confusion

When price ceilings were first enforced in Canada last December, great confusion prevailed in the women's wear industry. Primarily this was due to the fact that retailers at that time were selling stocks bought when wholesale prices were lower. Supplies for the spring of 1942 would soon be coming in at much higher manufacturers' prices.

A lifesaver to this and to many other businesses as well, was the "seasonal goods order," of WPTB. This order permits adjustments on goods manufactured and sold for sale during specific seasons. It recognizes the time lag necessary when manufacturers of clothing must work in the wintertime to turn out next summer's goods, and retailers must order several months in advance.

Stream of WPTB Orders

A continuous stream of orders and directions comes from WPTB offices, many of them affecting retailers. But it appears that surprisingly few of the ordinary retailers even read these carefully and more do not understand exactly what is involved. They have been helped in managing under price control by their own organizations and trade papers, outstanding among which might be mentioned the Retail Federation, organized early this year. This federation helps in interpreting and explaining the multiplicity of complicated orders.

Some of these orders led to much confusion. One of the worst examples was the early effort to control prices on women's fur-trimmed coats. While the cloth portion of these coats was under the price ceiling the fur portion is not under price control. Result was that manufacturers and retailers were asked to sell at base period prices a garment on which a substantial portion of the cost was uncontrolled.

This original order has been changed with a small price increase of about 5% being permitted on the cloth portion of the cost and the appropriate administrator being required to fix prices on the fur portion. The set-up is probably workable now provided the administrator is able to take enough time to do a fair job of pricing the fur trimmings.

A big question is just how closely retailers can determine their legal price ceilings, particularly on goods which may not have been on sale in the base period. The answer here seems to depend on how complete were the individual retailer's record. If he has a proper bookkeeping system he should have no trouble. But many small retailers have never had a complete bookkeeping system, perhaps not feeling they could afford the cost.

Most retailers of women's clothing seem to feel that WPTB has done a fair and effective job.

All Pay Top Prices

In ironing out the various price control difficulties, one which early came up was the fact that manufacturers might have had varying prices at which they would sell to different retailers. One man might be able to buy for $12.50 a dozen an article for which a man in another section of the same city might have had to pay $14.50. Manufacturers were permitted to set their ceiling at their highest prices during the base period.

The result is that all retailers have to pay the highest prices at which the manufacturers sold. To this new scale of prices, the retailer adds his customary mark-ups, subject to a few adjustments where the board had made certain deals to ease strain on particular lines.

An average type of women's wear retailer may attempt to average about 33 1/3% gross margin on his selling price. His mark-up on his cost price may be 60% or more, but applied to his selling price the margin is much less. Then he has to reckon with such matters as damaged goods, returned goods, slow-selling lines which require mark-downs and special sales. He may start out selling a particular line of women's dresses at $12.95 each at the beginning of the season and end up selling the last few of them at perhaps $8. The result makes his target margin of about 33 1/3% on selling prices sometimes difficult to hit.

Fewer Bargain Sales

Noticeable amongst most average class retailers of women's wear has been a decreased proportion of goods which have to be sold at marked down prices. In other words, the mid-summer sales this year are going to be less attractive to consumers than in previous years simply because the retailer has had better luck selling at his original prices.

This factor of lessened quantity of special mark-downs in sale goods is an unknown, but probably important, factor in maintaining the final profit of the retailer. He has probably also been aided by various other WPTB rules, such as the rule prohibiting sales of goods by manufacturers to ordinary consumers at wholesale prices. Result of such regulations is that a greater proportion of the consuming public has to buy at regular retail prices, retailer's volume moves up somewhat and his average price is improved.

Average Costs

A common device used by retailers to protect their margins is adopted on a line of goods for which they may pay varying prices. A retailer may be specializing on a summer handbag at $1.98 each. He may buy from one manufacturer at $12.50 a dozen, from another at $13.95 a dozen and from a third at $14.50 a dozen. His buying policy would probably mean that he would buy twice as many from the first manufacturer as from the third. His whole cost price would be averaged and his margin at $1.98 each would be maintained without any particular difficulty.

Most of the costs which a women's wear retailer has to pay have changed relatively little since the war started. An exception is the wage bill which may be up perhaps 20% in two years, often due to the necessity of maintaining a larger staff to cope with increased sales volume. The average women's wear retailer has not met with any particular difficulty in securing adequate staff.

His rent has been pegged and his light and heat bills are comparatively little changed. His supplies, such as wrapping paper, boxes and other items, are all up in price, and in some cases, increasingly hard to obtain.

Variety Shrinks

Range of items available is shrinking somewhat and is likely to shrink more in the future. A retailer, for example, might ordinarily stock perhaps 20 different lines of women's sweaters, each in a variety of colors and sizes. Nowadays he would probably be well satisfied if he could have 15 different lines in a fair range of color and sizes.

This is not entirely unsatisfactory. It helps cut down on "bad" stocks, stocks which are slow and hard to sell and on which price concessions must be made.

Changed Buying Policy

Some farseeing retailers are now cutting down on their "buying ahead" policy. They are beginning to think of what might happen if they got caught with a large stock of relatively high-priced goods and prefer a somewhat "hand-to-mouth" policy.

It has been necessary for the past two or three years to order much further in advance than would formerly have been the case. Goods imported from Britain now take six months or more for delivery whereas under normal conditions half that length of time might be necessary. Shipments of goods ordered for sale last spring are in some cases just coming in now and will go on sale this fall, just about six months late.

Of great help in maintaining price ceilings on these imported goods have been moves to remove import duties. On a well-known line of women's gloves, removal of the duty permitted a 25-cent cut in price. The result is that gloves which would have cost the consumer $1.50 a pair had the duty been maintained, are now sold for $1.25, actually the same price as in 1938.

The Week in Business

Canadian economic conditions to date this year have shown an important advance over the corresponding portion of 1941. Detailed statistics for the first five months show a gain of about 7% on the average in the factors indicating physical volume of business. It was accelerating manufacturing production, particularly for those manufacturers working on war contracts, that accounted for the largest gains.

Agriculture made its contribution but individual results were mixed. Grain marketings, influenced by 1941's lower crop, were down but livestock marketings were up on the five-month average. Agriculture will continue to play an important part in determining direction of Canadian economic activity, influenced by current prospects for an excellent crop yield, strong demand for livestock and dairy products.

Carloadings continue at rates well above last year but the cumulative total gain is declining as comparison this year is made with periods a year ago when rising trend had become evident. Cumulative total to July 4 this year is up 9.6%; to April 4 the gain was 12.5%.

Railway gross earnings are holding their gains at least as well as are carloadings. For the C.N.R. the total to July 7 is up 19.9% (22.4% to April 7) and for the C.P.R. a gain of 21.1% is shown (28.3% to April 7).

Livestock marketings in June this year were well above the same month last year. For the first half of 1942 there is a gain of 10.1% for cattle and one of 8.7% for hogs.

Newsprint production for June was 242,762 tons, down about 31,000 tons from June last year. For the first half of 1942 there remains a small gain of 47,000 tons.

Coal production and imports are both up. Domestic production in May was up only 77,000 tons at 1.3 million tons and for the five months of this year the gain is modest at about 750,000 tons, or 10.5%. Coal imports, on the other hand, were up almost a million tons in May and for five months show a gain of 3.5 million tons, or 97.7%.

LATEST FIGURES AND INDICES

New items this week marked ▪

	June	May	Apr.	Mar.	Year Ago
The Financial Post business index	....	*168.5	168.0	168.2	157.1
Dom. war expend. (million $) ...	....	204.9	142.2	....	90.3
Dom. total revenue (do.) ...	....	333.9	170.8	....	224.4
Dom. total expend. (do.) ...	....	386.2	247.5	....	130.8
Retail sales index no.	....	149.1	155.7	161.4	134.5
Dept. store sales index no.	....	140.5	148.5	156.9	129.2
Wholesale sales index no.	....	158.6	154.5	155.4	148.6
Country store (% change pr. yr.)	....	+11.7	+14.0	+13.8	+8.8
Divd. payment index‡	121.8	120.9	121.0	121.1	119.6
COST OF LIVING—					
D.B.S. index	116.7	116.1	115.9	115.9	110.5
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	167.4	165.2	165.1	145.5
Manufacturing	....	202.3	199.4	195.7	162.3
Payroll (June 1/41=100) (b)	....	124.0	121.6	119.4	....
▪Payroll index (a) (1937=100)	....	196	187	191	171
			Jan. 1 to date		
RAILWAYS—	1942	1941	1942	1941	% Change
▪Carloadings (week July 4)	60,368	56,938	1,699,567	1,550,661	+9.6
▪C.N.R. gross (week July 7) $	7,004,000	5,417,000	178,419,000	147,132,000	+19.9
▪C.P.R. gross (week July 7) $	4,827,000	4,035,000	125,860,000	103,875,000	+21.1
C.N.R. net revenue (May) $	7,769,691	7,788,841	30,072,980	25,279,769	+18.9
C.P.R. net revenue (May) $	4,233,560	4,181,819	17,773,718	15,851,390	+12.1
IRON AND STEEL—(May)—					
Pig iron production (tons)	171,386	127,259	806,039	574,827	+40.5
Steel ingots and castings prod. .... (tons)	272,247	230,843	1,305,075	1,076,624	+21.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (May)	849	10,158	13,870	49,984	—72.9
Factory output ... (Mar.)	3,192	12,093	11,430	34,730	—67.1
Trucks and Buses:					
Domestic sales* .. (May)	811	4,331	11,271	17,216	—34.5
Factory output ... (Mar.)	16,996	13,951	50,690	38,219	+32.6
Financing:					
Used .... (May) $	1,839,637	6,906,661	7,795,467	23,180,166	—66.4
New .... (May) $	473,228	5,272,038	4,645,483	18,922,006	—74.4
CONSTRUCTION—					
Contracts awarded . (June) $	46,756,200	85,747,500	134,947,200	215,466,600	—37.4
Cement prod., bbls. (Apr.)	619,907	568,681	1,602,615	1,531,733	+4.6
AGRICULTURE—					
Flour prod., bbls. .. (May)	1,481,449	2,121,397	8,390,031	7,898,523	+6.2
▪Flour exp. bbls. ... (June)	653,520	1,750,924	5,409,447	5,462,140	—0.9
▪Cattle sales▴ ...... (June)	92,559	82,866	524,829	476,488	+10.1
▪Hog sales▴ .... (June)	425,530	383,747	3,147,709	2,893,982	+8.7
SEA FISHERIES—‡					
Catch, cwts. .... (Apr.)	347,300	373,300	2,389,840	1,709,800	+39.8
Landed value ...... (Apr.) $	1,318,000	1,068,000	3,587,300	2,786,000	+28.7
NEWSPRINT—					
▪Production, tons ... (June)	242,762	273,687	1,658,174	1,621,134	+2.3
Exports .... (May) $	11,868,000	12,572,000	62,153,000	56,489,000	+10.0
MINING AND OILS—					
▪Coal prod., tons ... (May)	1,399,694	1,222,976	8,048,950	7,282,138	+10.5
▪Coal import, tons ... (May)	2,267,879	1,309,690	7,055,478	3,567,819	+97.7
Gold rec., fine oz. . (May)	393,710	448,436	1,971,493	2,134,248	—7.6
Crude oil, imp. gals.† (Apr.)	126,338	79,922	375,088	261,046	+43.7
ELECTRIC POWER OUTPUT—(May)—					
Total monthly, 1,000 kw.h.'s	3,174,764	2,805,394	15,589,184	13,172,325	+18.1
FOREIGN TRADE—♦					
Imports .... (Apr.) $	141,946,063	106,268,419	548,514,620	402,264,731	+36.3
Exports .... (Apr.)	169,997,596	118,393,094	667,451,667	410,828,290	+62.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (May)	172,854	152,756	701,305	782,052	—10.3
▪Shoes, prod., pr. ... (May)	2,616,432	2,843,157	13,602,147	12,175,597	+11.7
Cotton consump., lb. (May)	17,064,741	16,502,650	84,656,640	82,704,476	+2.3
Raw rubber imp. lb. (Apr.)	17,023,133	6,669,217	38,523,612	36,901,434	+4.4
Cigarette cons., No.† (May)	771,478	654,333	3,848,212	3,148,561	+22.4
Sugar manufactured .. lb.§	90,167,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† ...... (May) $	3,790,964	3,265,872	17,824,665	14,569,469	+22.3
Bond sales† .... (May) $	92,329	365,348	1,719,321	686,648	+150.5
Life insurance sales (May) $	40,336,000	36,172,000	194,882,000	160,596,000	+21.3

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
‡Supplied by Nesbitt, Thomson & Co. *Preliminary.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

On the Record

Aero Timber Products Ltd., a new Crown company, was incorporated on June 19, 1942, to develop and increase the production of airplane spruce for Canada and Great Britain. **R. J. Filbert**, of Comox Logging Company, will be president and managing director of the new company.

No special buses will be permitted, to carry troops between Camp Borden and Toronto, this to conserve rubber and gasoline.

Petroleum asphalt may not be used for roads, roofing and for certain other industrial purposes, except by permit, to conserve fuel oil for the navy.

Lead or lead base alloys containing more than 50% lead by weight in pig or ingot form, may not be bought or sold without written approval from the Metals Controller. **Type metal, babbitt and solder** are excepted M. & S. 951.

Brig.-Gen. J. V. Young is the new acting master-general of ordnance, succeeding Victor Sifton, who has resigned his post.

Lt.-Col. H. J. B. Keating, (formerly embarkation commandant for eastern ports) appointed director of supply and transport with rank of colonel. Col. Keating will be assigned to quartermaster-general's branch at national defense headquarters.

Employment in Canada showed further advance at beginning of May, when 13,064 establishments report a working force of 1,574,665 persons compared with 1,652,925 on April 1, an increase of 21,740.

A new purchasing unit of Dept. of M. & S. has been created by dividing the Clothing and Textiles Division into two parts—the Textiles and Uniforms Division and the Clothing and Anti-Gas Equipment Division. The general purchasing branch now comprises 13 separate purchasing units which buy everything used by the armed forces, except arms and munitions.

Investment Supervision

Market records tell a revealing story of the need for constant supervision of investments. Some investments, generally considered "gilt-edged" only a few years ago, now have little or no market value. Others, which had little apparent value, have since shown themselves sound investments. This change speaks loudly for the need of continuous care and supervision by a well-organized and experienced executor to safeguard the investments of your estate.

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THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 13

A

Range 1942 High	Low	Div R'te $	Jly11 Y'ld %	Company	Sales	Last July 6	Week end. July 13 H	L	Cl'se
.75	.40	.	...	Abitibi	665	.60	.55	.50	.50
7	4	.	...	Do. pref. 6%	422	5½	5½	4	5
25	13	.	...	Do. pref. 7%	....	(— bid 13 asked)			
3	3	.	...	Acme Glove	20	3	3	3	3
60	50	6.50	12	Do. pref.	10	51	54	54	54
13	11½	80+20c	6.7	Agnew Surp.	....	(11 bid 12 asked)			
110	106½	7	6.6	Do. pref.	....	(107 bid — asked)			
.90	.75	.	...	Alta. Pac. Gr.	....	(— bid .85 asked)			
27	21½	.	...	Do. pref.	20	25	27	25	25
9½	8	.	...	Algoma Steel	340	8½	8	8	8
84	82	5	6	Do. pref.	5	84	83	83	83
109	90	8+2	10.9	Aluminium	430	90½	91½	90	91½
118	112	6	5.1	Do. pref.	....	(117 bid — asked)			
7½	6	50c	...	Amal. Electric	1	6	6	6	6
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
42	40	2.75	6.7	Ang. Can. Tel p	10	41	41	41	41
19	17	80+40c	7	Asbestos	327	17	17½	17	17½
18½	13½	1.75	12	Assoc. Brew.	70	14	14½	13½	14½
112	109½	7	6.3	Do. pref.	....	(111 bid — asked)			
†1	1	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
‡24	24	96c	...	Do. pref.	....	(— bid 22 asked)			
102½	102	5.50	5.4	Ault & Wiborg	....	(102 bid — asked)			

B

Range 1942 High	Low	Div R'te $	Jly11 Y'ld %	Company	Sales	Last July 6	Week end. July 13 H	L	Cl'se
150	142	8	5.4	Bk. Can. Nat.	2	148	148	148	148
189	170	8	4.6	Bk. Montreal	49	178	177½	170	170
275	269	12	4.4	Bk. N. Scotia	54	272	270	270	270
255	225	10	4.4	Bk. Toronto	1	225	225	225	225
8½	8½	35c	...	Barber Ellis	....	(6 bid — asked)			
•5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.50	.	...	Barker's Bread	....	(.80 bid 1.25 asked)			
18	12	.	...	Do. pref.	60	14½	14	14	14
14½	11½	1+25c	10	Bathurst Pr.	190	12½	12½	12	12½
2.25	1.05	.	...	Do. (B)	....	(1.50 bid 1.75 asked)			
6	3½	80c	...	Beath & Sons	....	(5 bid 7 asked)			
8	6½	.	...	Beatty Bros.	....	(6½ bid 9 asked)			
110	102	6	5.4	Do. pref.	....	(110 bid — asked)			
95	76	7	7.4	Do. 2nd pref.	....	(95 bid 100 asked)			
9½	9½	.	...	Beauharnois	40	9½	9½	9½	9½
81	81	4+2	7.4	Belding Cort.	....	(80 bid 86 asked)			
124	115	7	6	Do. pref.	....	(115 bid — asked)			
150½	134	8	5.8	Bell Telephone	676	136½	140½	135½	137
7	6¾	30+10c	...	Bertram & Sons	....	(6¾ bid — asked)			
7½	6½	60c	8.9	Biltmore Hats	....	(6 bid 6¾ asked)			
3	2½	.	...	Blue Ribbon	....	(2¾ bid 3 asked)			
31½	25	2.50	9.3	Do. pref.	80	26	26½	26¾	26¾
10¾	10¾	60c	5.6	Blue Top Br. A.	....	(9 bid — asked)			
10½	8	.	...	Do. "B"	....	(9 bid 10 asked)			
3½	3	.	...	Brand. Hender.	98	3½	3	3	3
20¾	20½	1.30	6.4	Brant. Cord., pf	....	(21 bid — asked)			
10	6	40c	...	Brazilian Tr.	1741	8¾	9½	8½	8¾
5½	3¾	50+10c	...	Brew. & Distil.	78	4¾	4¾	4¾	4¾
†6½	6½	.	...	Bright, T. G.	....	(6½ bid — asked)			
†90	90	6	6.7	Do. pref.	....	(90 bid — asked)			
18	13	1	6.2	Brit. Amer. Oil	1540	15¾	16½	15½	15½
16	12	1.50	...	B. C. Packers	25	13½	13½	13½	13½
22	17	2	9.1	B. C. Power A.	116	20	22	21½	22
1.25	.75	.	...	Do. (B)	....	(.80 bid 2.00 asked)			
6	4½	20c	...	Bruck S. Mills	....	(4¾ bid 5 asked)			
14	11½	70+10c	6	Building Prod.	280	13	12¾	12½	12½
8½	7½	60c	7.5	Burlington St	15	7¾	8	8	8

C

Range 1942 High	Low	Div R'te $	Jly11 Y'ld %	Company	Sales	Last July 6	Week end. July 13 H	L	Cl'se
..	..	.	...	Caldwell Linen	....	(4 bid — asked)			
23½	23½	1.50	6.4	Do. 1st pref.	....	(23 bid 24 asked)			
9½	9½	80c	8.4	Do. 2nd pref.	....	(9½ bid 10½ asked)			
†70	70	.	...	Calgary Power	....	(— bid — asked)			
102	98	6	6.1	Do. pref.	5	98½	99	99	99
2¾	1¾	.	...	Canada Bread	....	(1¾ bid — asked)			
103	98½	6	6.1	Do. pref.	5	96½	99	99	99
46	30	2.50	6.6	Do. pref. (B)	....	(34 bid 40 asked)			
5½	5	40c	7.3	Canada Bud	115	5½	5½	5½	5½
5	3¾	.	...	Canada Cement	495	4½	5	4½	4½

F, G

Range 1942 High	Low	Div R'te $	Jly11 Y'ld %	Company	Sales	Last July 6	Week end. July 13 H	L	Cl'se
18½	14½	1	5.5	Ford Motor A.	1466	17½	18½	17½	18½
18½	14½	1	5.5	Do. (B)	....	(12½ bid — asked)			
.15	.15	.	...	For. Pr. Secs.	....	(— bid .25 asked)			
16½	12	465+50c	...	Foundation Co.	75	12½	13	12	12
13	7	.	...	Fraser Cos.	....	(8 bid — asked)			
13½	9	.	...	Do. Vot. Tr.	141	10	9½	9	9½
.50	.50	.	...	Freiman	....	(.50 bid — asked)			
55	55	‡4.50	...	Do. pref.	....	(55 bid — asked)			
6½	4½	60c	10	Gatineau Pwr.	256	6½	6½	6	6
77½	61½	5	6.7	Do. pref.	95	74½	74½	70½	70½
80	70	5.50	6.9	Do. 5½% pref.	10	75½	80	80	80
†1.25	.25	.	...	Do. Rights	....	(— bid .20 asked)			
6½	5	30c	...	Gen. St. Wares	310	5½	6	5½	6
92	85½	7+53c	8½	Do. pref.	90	85½	86	85½	86
60	31½	2.50+2.50	...	Goodyear Tire	....	(42 bid — asked)			
50	39	2.50	5.2	Do. pref.	150	47½	48	47½	48
†67	67	1	...	Gould Pumps	....	(— bid — asked)			
†4	2½	.	...	Gt. Lakes Pap.	....	(— bid 3¾ asked)			
†16	16	1.50	...	Do. pref.	....	(— bid 20 asked)			
2¾	1	.	...	Do. Vot. tr. c.	939	1½	1½	1½	1½
16½	11	1.50	...	Do. Vot. tr. p	51	12	13	12½	13
4½	4	.	...	Gt. W. Saddlery	....	(3½ bid 4 asked)			
28	24	3	...	Do. pref.	....	(21 bid — asked)			
11¾	10	60c	6	Greening Wire	....	(10 bid 12½ asked)			
‡1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
3	2	.	...	Gurd, Chas.	....	(2 bid 3 asked)			
70	70	.	...	Do. pref.	....	(70 bid 75 asked)			
3½	2½	.	...	Gypsum, Lime	540	3½	3½	3	3½

H, I

Range 1942 High	Low	Div R'te $	Jly11 Y'ld %	Company	Sales	Last July 6	Week end. July 13 H	L	Cl'se
14½	14½	1	...	Halifax Fire	....	(15 bid — asked)			
3½	2	.	...	Ham. Bridge	350	2¾	3½	2¾	3½
36	28	2	6.7	Ham. Cot., pf.	....	(— bid 34 asked)			
1.50	.65	.	...	Ham. U. Theat.	....	(.50 bid 1.40 asked)			
75	73	5	6.8	Do. pref.	....	(53¾ bid 75 asked)			
3½	2½	20+10c	...	Harding Carpet	....	(2¾ bid 3½ asked)			
14	9½	‡50c	...	Hinde & Dauch	....	(12½ bid 13 asked)			
5	5	.	...	Holt Renfrew	....	(— bid — asked)			
65	40	.	...	Do. pref.	....	(— bid 70 asked)			
19	16	2	11.4	Honey Dew	....	(17½ bid 18 asked)			
14	9	.	...	H. Smith Pap.	25	9	9	9	9
100	96½	6	6.1	Do. pref.	15	98½	98	98	98
9¾	3	.	...	Humberstone S	....	(4 bid 6 asked)			
8½	6½	.	...	Hunts (A)	....	(— bid 6 asked)			
8½	7	.	...	Do. (B)	....	(— bid 8 asked)			
55	46	4	8.3	Huron & E. Mt.	....	(49 bid 50 asked)			
8	7	80c	...	Do. 20% pd.	....	(7½ bid 8 asked)			
1.00	.75	.	...	Hydro Electric	....	(.20 bid 1.00 asked)			
204	172½	10	5.7	Imperial Bank	92	178	178	172½	172½
†275	275	15	...	Imperial Life	....	(— bid 275 asked)			
9½	7½	50c	5.7	Imperial Oil	5080	8½	9½	8½	9
12½	9½	40+17½c	5½	Imperial Tob.	1237	9½	10½	10	10½
7½	6½	6%	4.5	Do. pref.	....	(6¾ bid 6¾ asked)			
..	..	50+10c	...	Imp. Varnish	....	(8½ bid 9½ asked)			
27½	27½	1.50	5.4	Do. pref.	....	(27½ bid 28½ asked)			
9¾	6½	.	...	Indust. Accept.	....	(8½ bid 9 asked)			
25	22	3	...	Inter-City Bak.	....	(25½ bid 35 asked)			
†50	39	‡5	...	Inter'c Coal	....	(— bid — asked)			
‡120	120	8	...	Do. pref.	....	(— bid — asked)			
12½	10	1.50	13.6	Inter. Bronze	....	(10½ bid 13 asked)			
22½	20	1.50	7	Do. pref.	....	(— bid 22½ asked)			
.25	.25	3c	...	Int. Coal & C.	....	(.26 bid .40 asked)			
7½	5	.	...	Int. Metal Ind.	235	5¾	6	5½	6
99	85	6	6.5	Do. pref.	50	92	92	92	92
92	90	6	6.7	Do. pref. A.	....	(— bid 90 asked)			
115	111	5	4.4	Int. Mill., pf.	....	(112 bid 115 asked)			
36½	29	2	6.7	Int. Nickel	1569	30	30½	29¾	30
157½	143	7	...	Do. pref.	....	(— bid — asked)			
1.50	1.05	.	...	Int. Paints	....	(1.60 bid 2.00 asked)			
15	13	1+25c	7½	Do. pref.	....	(12½ bid 15 asked)			
16	13½	.	...	Int. Pap. & P.	....	(— bid — asked)			
65	57½	5	8.7	Do. pref.	....	(50¾ bid — asked)			
13½	11	1	7.7	Int. Pete.	1218	12½	12¾	12½	13
2½	2	.	...	Int. Power	....	(2 bid — asked)			
90	85	7	7.9	Do. pref.	60	87½	88	87	88
•11½	10½	.	...	Int. St. Rlty. A.	....	(— bid 10 asked)			
•4	3½	.	...	Do. (B)	....	(— bid 4 asked)			
3½	2	.	...	Int. Util. (A)	....	(2½ bid 2¾ asked)			
.15	.05	.	...	Do. (B)	2200	.10	.10	.05	.10

Mining Stocks

Week Ending July 13

N, O

Par Val.	Range 1942 High	Low	Company	Sales	Close July 6 (or last)	High for week	Low for week	Close July 13
1	.23	.08½	Naybob	22,000	.10½	.10½	.09½	.10
1	.50	.31	Negus Mines	1,300	.36	.34	.34	.34
5	1.01	.75	Nipissing	10	.85	.81	.81	.81
No	52.00	41.00	Noranda	1,289	43.00	43.50	42.50	42.75
No	.25	.14	Nor. Canada	......	(.15 bid .29 asked)			
1	.04	.03	Norgold	......	(.02½ bid .04 asked)			
No	.90	.60	Normetals	7,300	.60	.68	.63	.67
1	•5.00	3.75	Northern Empire	......	(2.00 bid .... asked)			
1	.91	.48	O'Brien	4,115	.58	.57	.50	.55
1	.10	.05	Omega	......	(.06 bid .07½ asked)			
1	.16	.06½	Ontario Nickel	166,700	.14	.15	.13½	.15
1	.06	.02	Osisko	......	(.02½ bid .... asked)			

P, Q, R

Par Val.	Range 1942 High	Low	Company	Sales	Close July 6 (or last)	High for week	Low for week	Close July 13
No	.90	.35	Pamour	13,000	.45	.42	.35	.35
1	.04	.02	Pandora	500	.03	.03	.03	.03
1	.02	.01	Partanen Mal.	......	(.01 bid .02½ asked)			
1	3.00	2.00	Pato Cons. G.	......	(2.10 bid 2.50 asked)			
1	.00¾	.00½	Pawnee Kirk.	......	(.00½ bid .01 asked)			
1	.19	.10	Paymaster	4,039	.15	.17	.15	.17
1	1.75	.95	Pend Oreille	3,400	1.00	1.09	.95	1.03
1	1.39	.90	Perron Gold	400	.90	.95	.90	.90
1	2.35	1.38	Pickle Crow	2,184	1.65	1.70	1.60	1.65
1	2.20	1.20	Pioneer Gold B.C.	2,610	1.25	1.35	1.20	1.35
1	5.00	4.25	Placer Devel.	......	(5.25 bid 8.00 asked)			
1	.78	.40	Powell Rouyn	7,500	.40	.47	.40	.47
1	.60	.35	Premier Gold	6,070	.45	.47	.45	.45
1	3.20	1.64	Preston E. Dome	8,075	1.67	1.74	1.64	1.66
No	.20	.15	Prospectors Air's	......	(.10 bid .... asked)			
1	.25	.20	Quebec Gold	......	(.20 June 20)			
1	.39	.08	Queenston Gold	1,200	.20	.16	.16	.16
No	.06	.02	Quemont	......	(.05 bid .06 asked)			
No	.00½	.00½	Red Crest	......	(.... bid .03 asked)			
1	.45	.40	Reeves McDonald	......	(.14 bid .... asked)			
1	.25	.02½	Reno Gold	1,000	.04	.04	.04	.04
1	.03	.02	Roche Long Lac	3,000	.02½	.02½	.02	.02

S, T, U, V, W, Y

Par Val.	Range 1942 High	Low	Company	Sales	Close July 6 (or last)	High for week	Low for week	Close July 13
1	2.05	1.35	San Antonio	770	1.60	1.57	1.55	1.57
1	.02½	.00½	Sand River	......	(.00½ bid .02 asked)			
1	.18	.09	Senator Rouyn	1,000	.16	.18	.18	.18
1	.01½	.01	Shawkey	......	(.01 bid .01½ asked)			
50c.	.83	.65	Sheep Creek	100	.65	.65	.65	.65
1	.98	.60	Sherritt Gordon	8,720	.64	.70	.65	.65
1	6.00	4.05	Sigma Mines	101	4.80	4.25	4.25	4.25
1	.50	.28	Siscoe	1,050	.38	.37	.30	.30
1	.34	.17	Sladen Malartic	300	.22	.22	.22	.22
1	.06	.01	Slave Lake	16,000	.01½	.02½	.01½	.02½
1	.04	.01½	St. Anthony	......	(.01 bid .02 asked)			
No	1.96	.87	Steep Rock	53,060	1.05	1.17	.92	1.07
No	.01½	.00½	Straw Lake	10,000	.01	.01	.01	.01
1	.13½	.08½	Sturgeon River	1,100	.12	.11½	.11	.11½
No	1.70	1.10	Sudbury Basin	100	1.30	1.35	1.25	1.25
1	.02½	.01½	Sudbury Contact	500	.02	.01½	.01½	.01½
1	.65	.48	Sullivan Cons.	2,200	.52	.53½	.53	.53
1	1.98	1.15	Sylvanite	610	1.65	1.55	1.40	1.40
1	2.34	1.50	Teck Hughes	4,080	1.60	1.60	1.50	1.50
1	.03½	.03	Temiskaming	......	(.03 bid .03½ asked)			
1	1.10	.75	Toburn Gold	1,400	.79½	.80	.75	.75
1	.13	.09	Towagmac	......	(.09 bid .11½ asked)			
No	.50	.23	Trans. Resources	......	(.22 bid .25 asked)			
1	.05	.01	Uchi Gold	700	.04½	.04	.03½	.04
	40.00	15.00	Uchi Bonds	......	(25.50 bid 28.00 asked)			
1	1.24	.59	Upper Canada	12,525	.80	.82	.70	.70
No	5.00	2.95	Ventures	520	4.00	4.00	4.00	4.00
No	4.80	4.00	Waite Amulet	400	4.25	4.35	4.30	4.35
1	.17	.08	Wendigo	8,800	.14	.16	.14½	.15
1	.01½	.00½	Wiltsey Coughlan	......	(.00½ bid .... asked)			
1	.04	.01½	Wood Cadillac	3,100	.02	.02	.01½	.02
No	2.90	1.81	Wright-Hargreaves	1,783	2.20	2.20	2.09	2.09
No	.05	.02½	Ymir Girl	......	(.03 bid .... asked)			

Oil Stocks

Par Val.	Range 1942 High	Low	Company	Sales	Close July 6 (or last)	High for week	Low for week	Close July 13
No	.10	.03	Acme Gas & Oil	100	.06	.06	.06	.06
1	.07½	.05	Alta. Pac. Cons.	......	(.06 bid .... asked)			
1	.13	.08	Ajax	211	.10	.08	.08	.08
No	.56	.32	Anglo Canadian	5,200	.43	.45	.40	.45
No	.29	.09	Br. Dominion	5,950	.10	.12	.09½	.12
No	.07	.04	Brown Oil	500	.04½	.04½	.04½	.04½
No	1.20	.80	Calgary & Ed.	100	.95	.95	.95	.95
1	.18	.11	Calmont	500	.15	.14	.14	.14
No	.22	.15	Commoil	......	(.13½ bid .18 asked)			
No	.30	.18	Common Pete	......	(.17 bid .20 asked)			
No	.30	.12	Dalhousie	......	(.... bid .17 asked)			
No	.17½	•.12	Davies Pete	......	(.12 bid .14 asked)			
No	.04	.02	East Crest	......	(.01½ bid .02½ asked)			
No	.32	.32	Federated Pete	......	(.32 June 15)			
No	.85	.55	Foothills	200	.70	.75	.74½	.75
No	.01	.01	Grease Creek Pete	......	(.00½ bid .02 asked)			
No	†.08	.04	Hargal	......	(.... bid .10 asked)			
No	.20	.08	High Sarcee	......	(.06½ bid .08 asked)			
No	2.70	2.05	Home	4,320	2.08	2.20	2.09	2.10
1	.07	.02	Homestead O. & G.	10,500	.02½	.02½	.02½	.02½
No	.04	.02½	McD. Segur	......	(.03½ bid .04½ asked)			
1	.20	.13	Model	......	(.13 bid .17 asked)			
25c.	.04	.04	National Petroleum	......	(.... bid .05 asked)			
1	.05	.02½	Nordon	......	(.02½ bid .... asked)			
No	.03	.01½	Oil Selections	100	.03	.02½	.02½	.02½
No	.40	.22	Okalta	1,900	.24	.25	.25	.25
No	.04½	.02	Pacalta	2,000	.02½	.02½	.02½	.02½
1	•.27	.15	Pacific Petroleum	......	(.... bid .... asked)			
No	.25	.25	Petrol Oil & Gas	......	(.... bid .50 asked)			
No	19.75	16.50	Royalite	55	17.00	17.50	17.00	17.00
No	.05	.02½	South End	......	(.... bid .03½ asked)			
No	.17	.10	South West Pete.	......	(.10 bid .20 asked)			
5	1.60	.70	Texas Can.	100	.70	.75	.75	.75
No	.04½	.03	United Oils	......	(.03½ bid .04 asked)			
1	.13	.05½	Vermilata	2,000	.09	.10½	.08½	.10½
1	.22	.15	Vulcan	300	.18	.15	.15	.15

Vancouver Stocks

Par Val.	Range 1942 High	Low	Company	Sales	Close July 6 (or last)	High for week	Low for week	Close July 13
1	.05½	.03	Bayonne Cons.	......	(.... bid .03 asked)			
No	9.20	5.90	Bralorne	738	6.40	6.35	5.90	6.10
1	•.00½	.00½	Bridge River Cons.	......	(.... bid .... asked)			
1	1.74	1.00	Cariboo Gold	2,600	1.10	1.08	1.05	1.05
No	.01	.00½	Dentonia	......	(.... bid .... asked)			
No	.00½	.00½	Fairview Amal.	......	(.00½ bid .... asked)			
1	.20	.10	George Copper	100	.15	.15	.15	.15
1	.06½	.04	Golconda	......	(.04 bid .... asked)			
50c.	.18	.10	Gold Belt	4,000	.14	.12	.10	.10
50c.	.18	.11	Grandview	300	.12	.11	.11	.11
1	.03½	.01½	Grull Wihksne	1,000	.01½	.01½	.01½	.01½
1	.35	.25	Hedley Mascot	......	(.25 bid .... asked)			
No	.00½	.00½	Home Gold	......	(.00½ bid .... asked)			
1	.01½	.01½	Indian Mines	......	(.01½ bid .01½ asked)			
50c.	1.06	.96	Island Mountain	......	(.... bid .98 asked)			
1	.30	.28	Inter'tl Coal	......	(.30 bid .34½ asked)			
50c.	.25	.15	Kootenay Belle	......	(.18 bid .... asked)			
1	.20½	.18	McGillivray Creek	......	(.18½ bid .23 asked)			
No	.01	.00½	Minto Mines	......	(.00½ bid .... asked)			
50c.	.02	.01½	Nicola	1,000	.01½	.01½	.01½	.01½
1	.10	.08	Pacific Nickel	......	(.06 bid .08½ asked)			
1	1.75	1.00	Pend Oreille	410	1.20	1.00	1.00	1.00
1	2.15	1.16	Pioneer Gold	650	1.24	1.25	1.16	1.25
No	.01½	.00½	Premier Border	1,000	.01	.00½	.00½	.00½
1	.60	.38	Premier Gold	400	.46	.46	.46	.46
No	.60	.26	Privateer Mines	4,200	.30	.30	.30	.30
1	.02	.01	Quatsino Copper	......	(.01½ bid .... asked)			
1	.50	.20	Reeves McDonald	200	.27	.20	.20	.20
1	.23	.02	Reno Gold	2,500	.03½	.03½	.03½	.03½
50c.	.00¾	.00¾	Salmon Gold	......	(.00¾ May 18)			
50c.	.84	.61	Sheep Creek	2,350	.66	.66	.61	.65
1	.75	.50	Silbak Premier	......	(.61 bid .... asked)			
No	•.00½	.00½	Silvercrest	......	(.... bid .... asked)			
50c.	.10	.06	Surf Inlet	4,000	.10	.06	.06	.06
No	•.03	.02	Taylor Bridge	......	(.02 bid .04 asked)			
20c.	.02½	.01	Wellington	......	(.00½ bid .01 asked)			
1	.04½	.02	Whitewater	......	(.01½ bid .03 asked)			
No	.04	.04	Ymir Yankee Girl	......	(.03½ bid .... asked)			

Oil Quotations

Par Val.	Range 1942 High	Low	Company	Sales	Close July 6 (or last)	High for week	Low for week	Close July 13
1	.07	.05	Alta. Pac. Cons.	410	.06	.05½	.05½	.05½
No	.55	.35	Anglo Canadian	......	(.40 bid .... asked)			
No	.03	.02½	Anaconda	......	(.02 bid .02½ asked)			
No	.25½	.19	Brit. Dominion	......	(.09½ bid .... asked)			
No	.04	.04	Brown Oil	......	(.... bid .... asked)			
No	1.17	.80	Calgary & Ed.	500	.97	.98	.93	.98
1	.17	.10	Calmont	......	(.13 bid .... asked)			
No	.23	.15	Commoil	......	(.13½ bid .... asked)			
No	.28	.18	Commonwealth	......	(.17 bid .21 asked)			
No	.22	.14	Dalhousie	......	(.15 bid .... asked)			
No	.16½	.12	Davies Pete	......	(.11 bid .... asked)			
No	.02½	.02½	East Crest	......	(.01½ bid .... asked)			
No	•.36½	.21	Federated Petroleum	......	(.... bid .... asked)			
No	.85	.60	Foothills	......	(.60 bid .... asked)			
No	.20	.07	High Sarcee	500	.10	.07	.07	.07
No	2.67	2.00	Home Oil	800	2.00	2.16	2.00	2.00
No	.01½	.00½	Madison	......	(.01½ bid .01½ asked)			
No	.01½	.01	Marjon Oil	10,000	.01½	.01½	.01½	.01½
No	.04½	.02½	McD. Segur Ex.	1,000	.04	.03	.03	.03
No	.05½	.03½	Mercury	......	(.04½ bid .... asked)			
No	.07	.05½	Mill City Pete	2,500	.06	.06½	.06½	.06½
1	.20	.12	Model	300	.19½	.18	.18	.18
25c.	.04½	.04	National Pete	......	(.04 bid .... asked)			
1	.03	.02	Nordon	......	(.... bid .... asked)			
No	.40	.20	Okalta	.25	(.... bid .... asked)			
No	.04	.03	Pacalta Oil	......	(.02 bid .... asked)			
1	.25	.14	Pacific Petroleums	......	(.19 bid .25 asked)			
No	.05½	.03	Royal Canadian	1,000	.03½	.03	.03	.03
No	†.10½	.06	Royal Crest	......	(.... bid .... asked)			
No	18.63	16.00	Royalite	15	17.00	17.00	17.00	17.00
No	.05	.03	South End	......	(.... bid .... asked)			
No	.20	.15	Southwest Pete	......	(.15 Mar. 9)			
1	.05	.04	Spooner	......	(.05 July 3)			
25c.	.09½	.08	Sunset Oil	......	(.06½ bid .... asked)			
No	.04½	.02	United	......	(.03½ bid .... asked)			
No	.05	.04	Vanalta	......	(.04½ bid .... asked)			
1	.20	.12	Vulcan	......	(.15 June 3)			

* Quotations for 1941: † 1940.

Winnipeg Stocks

(Transactions from July 6 to July 11)

	Sales	High for period	Low for period	Close July 11
Beaver Lumber, pref.	10	100.00	100.00	100.00
Great-West Life	10	203.50	203.50	203.50
Marvel Oils	1,000	.04½	.04½	.04½
Northern Trusts	153	7.00	6.00	7.00
Sachigo River	10	4.75	4.75	4.75
Western Breweries	120	2.00	2.00	2.00

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beav. Lumber, c	2½	4	Grouped Inc.	..	4½
Can. Indemnity	150	..	Home Invest.	27½	..
Corr. Pap. Box c	2	..	Nor. C. Mtg. un.	5½	..
Cres. Cream., p.	10	15	Nor. Mtg. pt. pd.	.75	..
Dom. Envel., c.	..	8½	Traders Bldg.	44	..
Dom. Envel., p.	..	94	Unit. Grain	10½	..
Fed. Grain, c.	.35	1¼	West. Grain, p.	..	7
			West. Steel	7	9

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
July 14	4,000	1,100	129,000	......
July 13	5,500	6,500	95,000	28,700
July 11	3,200	4,300	46,000	3,200
July 10	6,300	2,300	129,000	4,745
July 9	7,600	1,900	134,000	11,420
July 8	10,600	7,000	167,000	4,206

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

July 15, 1942

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
3	Oct. '42	100½	101	.60
2½	June '43	101	101½	1.05
5	Oct. '43	104½	104¾	1.37
2	June '44	100¾	101½	1.44
1½	Sept. '44	99¾	100	1.50
2½	Jan. '44	99¾	100¾	b1.17
4½	Oct. '44	106	106½	1.74
2½	Nov. '44	101¾	102½	1.58
a2½	Aug. '45	99¾	100¾‡	b2.03
4	Oct. '45	102½	103½	b1.61
2	Mar. '45	100¾	101	1.63
2	Dec. '46	99¾	99¾	2.03
4½	Feb. '46	108½	109½	1.81
2½	Mar. '48	99¾	100	2.25
3½	June '49	102¾	103¾	b2.35
3½	Oct. '49	103½	103½	b2.09
3½	Nov. '51	102	102½	b2.83
3½	Feb. '52	102	102¾	‡2.90
a3	May '52	101½	102¾	b
4	Oct. '52	105½	106½	b2.74
a3	June '51	100½	100½	3.00
3	Oct. '52	99½	100	3.00
3	June '55	99½	100	3.00
4½	Nov. '56	106½	107½	b2.75
a3	Mar. '54	99¾	100½	3.05
4½	Nov. '57	107¾	108½	b2.85
3	June '58	99½	100	3.00
4½	Nov. '58	108½	108¾	b2.95
4½	Nov. '59	109½	110	b2.97
a4	Oct. '60	105	106¾	b3.17
a3½	Jan. '61	99½	100½‡	3.23
3½	June '66	101½	101¾	b3.10
a3e	Nov. '67	95½	95½‡	3.24
a3e	Nov. '68	95½	95½‡	3.23
†3	Perpet'l.	94½	95½	3.15

Dominion Guarant'd Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	100¾	.99
2½	Jan. '46	100½	101	1.97
3	May '44	102¼	103	1.44
3	Dec. '50	99¾	100½	2.97
3	Jan. '59	98¾	99½	3.06
•4½	Sept. '51	117¾	118¾	2.22
•4½	Feb. '56	118½	119½	2.80
4½	July '57	119	120	2.85
3	Feb. '53	99	99½	3.05
4¾	June '55	120½	121½	2.79
5	Feb. '54	118	119	3.09
•5e	July '69	118	119	...
•5e	Oct. '69	121½	122¾	b2.30
•5e	Feb. '70	121½	122¾	b2.30

Can. Nat. W. Ind. S. S.:

%	Due	Bid	Ask.	Approx. Yld.
•5	Mar. '55	121½	122½	2.88

Grand Trunk Pacific Rly.:

%	Due	Bid	Ask.	Approx. Yld.
3	Jan. '62	100½	101½	2.90

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	94¾	96½	3.47
3½	Aug. '49	96	98	3.57
3½	June '56	96½	98½	3.64
c4	Nov. '47	106	108	b1.53
c4½	Apr. '61	108	110	3.76
c5	Jan. '60	110½	112½	4.02
Nova Scotia:				
3	Jan. '52	98	98½	3.06
3½	June '56	99	100½	3.20
3½	Nov. '50	101½	102¾	3.12
c4½	Sept. '52	111	113	b1.85
c4½	Nov. '60	112¾	114¾	3.42
c5	Mar. '60	118½	120½	3.46
Ontario:				
2½	May '45	100½	101½	2.07
3	Apr. '48	100	101	b2.73
3	Nov. '50	99½	100	3.00
3½	Nov. '51	100½	101¾	b2.99
3½	May '55	100½	101½	b3.07
•4	June '62	111	113½	3.09
4½	June '50	109½	110½	3.05
•4½	Jan. '62	117½	120	3.14
5	Oct. '48	110½	111½	3.01
•5	Dec. '60	123	125	3.20
5½	July '46	109¾	110½	2.71
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100¾	101¾	b2.98
3½	Apr. '47	102½	104	2.63
Prince Edward Island:				
4	Mar. '54	101½	103	3.58
Quebec:				
3	Nov. '47	98	99	3.20
3½	Mar. '48	99	100	3.25
3½	Mar. '59	98½	100	3.50
4	Nov. '52	102½	103½	b3.52
3½	Feb. '55	100½	101½	b3.37
4½	Aug. '58	105½	107½	3.63
4½	Jan. '63	110	112	3.88
Alberta:				
4½	Oct. '51	72½	..	d
4½	Oct. '56	67	71	d
4	Dec. '54	66	69	d
•5	Oct. '59	68	72	d
c5½	Apr. '52	69	73	d
6	Mar. '47	71	75	d
British Columbia:				
c4	Dec. '57	101	...	...
•4½	Jan. '51	105	108½	3.25
c4½	Oct. '53	108	111	3.34
c5	Apr. '54	112½	...	
5½	Feb. '45	103½	105½	3.27
6	Feb. '47	108	110	3.85
Manitoba:				
c4	Dec. '57	98	100	4.00
c4½	Dec. '56	100	102½	4.27
•5	Dec. '59	104	107	4.42
5½	Oct. '55	106	109	4.60
6	Apr. '47	104	107	4.37
Saskatchewan:				
4	Sept. '54	80	83	5.96
4	Nov. '60	78	81	5.62
c4½	Oct. '51	88½	91	5.74
c4½	Mar. '60	84	87	5.66
5	Aug. '58	87	90	5.96
5½	Oct. '52	93	96	6.02
6	Mar. '52	95	98	6.27

•–Payable Can., N.Y. and £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †–Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡–N.Y. funds. ‡–Calculated to 1950 average maturity. a–Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 14, 1942

Industrials:	Bid	Ask.
Acme Farm., pf.	48	52
Andian National	26	27½
Anglo C. Tel., A	6½	7
B. C. Pulp, c.	9½	10½
Do., pfd.	62	65
B. C. Sugar	63	66
B. C. Tel., 1st p.	102	..
Brown, com.	1½	1¾
Do., pfd.	22	24
Burns & Co., A	2½	3½
Do., B	1	1½
Can. Co-op. Wl.	8	..
Can. Indust., A	145	150
Can. Airways	1½	1½
Can. Ing. Rand	68	..
Can. Mot. L.A.B.	5	..
Can. Tube, c.	6½	..
Do., 1st pf.	90	..
Chase, A. W., p.	18	20
Colonial Realty	2½	..
Colonial Steam.	43	49
Corr. Pap. Box c	2	3
Do., rights	6	9
Dunlop T. p $25	16½	18
Easy Wash. p $10	9½	11
Galt Brass, c.	9	11
Goderich Elev.	7	8
Guard. Realty, p	16	..
Guelph Carp., c.	16	18
Gurney Fdry., p	1½	1½
Hayes Steel, c.	12	14
Hi'land Dairy, p	..	46
Do., com.	..	2
Inglis, John	6	8
Ingram & Bell, p	94	..
Kingst. Ship., c.	9	..
Loblaw, Inc., c.	12	13
Minn.&Ont. P. c.	3	3½
M'row Screw, p.	100	105
Do., com.	14	16
Morrison Br. un	5	6
Moirs, Ltd.	18	21

	Bid	Ask.
Neilson, Wm., p.	100	..
N. Meth. Ldy. p.	68	..
Ont. Tobacco, p.	18	20
Prov. Paper, pf.	97½	100
Quinte Milk	2½	3½
Stand. Fuel, c.	1	1½
Stand. Fuel, p.	52	54
Do., com.	¾	1½
Stedman, pf. $50	50	55
Sutton Horsley	¾	1
Tor. Carpet, c.	63	..
Do., pfd.	68	73
Un. F. Co-op.	3	4
Un. Steel, A pf.	23½	24½
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
Brit. Mtge.	120	130
Brockville Tr.	43	..
Capital Tr.	27	31
Comm. Fin., c.	4½	..
Grey&Br. Tr. $50	43	..
Guaranty Trust	100	103
Guelph & O. $50	50	53
Indust. Mtge.	25	30
Lambton Loan	32	34½
Midland Loan	14	16
Premier Trust	..	32
Sherbrooke Tr.	120	..
Sterling Trust	50	53
Th. Can. Inv. Tr.	1¾	1½
Traders Fin. A c	4	6
Do., A pfd.	55	60
Trusts & Guar.	30	33
Victoria Trust	65	68
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	365	370
Brit. Amer.	50	52
Canadian Fire	77	80
Confed. 30% pd.	128	136
Cons. Fire Cas.	3½	..

	Bid	Ask.
Continental L.	30	35
Crown, fully pd.	260	280
Dominion Fire	138	..
D. of Can. Gen.	114	120
Empire, 25% pd.	4	5
Excelsior 40% pd	68	72
Great-West Life	203	208
Federal, 25% pd.	52	54
Halifax Fire	14½	16
Imperial Life	262	270
Manufac. Life	217	222
Monarch Life	32	35
National Life	7	10
Sov. L. 25% pd.	12	14
Sun Life	220	240
Tor. General	4½	5½
Wellington Fire	58	..
Western Assce.	36	38
Theatre Stocks:		
Allen's, St. Cath. units	52	55
Do. Kings'n un	61	63
Loew's London p	5	..
Mansf. Theat., p	30½	31½
Para., Kitch., p.	48	..
Do., Oshawa, c	7	9
Investment Trust Shares:		
Inv. Found. un.	40	43
Sec's. Hold., pf.	19	22
United Corp., A	20	22
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	25	27
Do., pfd.	100	..
Gt. Lakes Pr., p	100	102
Int. Util., $1.75 p	8	12
Do., $3.50 pf.	24	28½
Mtl. Isl. Pwr., p.	41	..
Nor. Ont. Pr. p.	70	74

Unlisted Mines

Toronto, July 7, 1942

	Bid	Ask
Albany R (Old)	.01	.03
(New)	.06	.08
Amal Kirk	.03½	.04½
Anoki	.01	.03
Aquarius	.12	.17
Arjon	.02½	.03½
Armistice	.02½	.05
Argosy	.03	..
Area	.07	.09
Arntfield	..	.01½
Athona (new)	.01	.02
Barb Lard	.01½	.03
Brock	.03	.04
Bellet	1.75	2.50
Can Rad	.06	.08
Central M	.01¾	.01¾
Cheminis	.02	.03½
Clifton C	.07½	.09
Clonmel	1.27	1.50
Cons Chib	.02½	.04
Columbi'e	.18	.20
Delpine	.02	.05
Desantis (New)	.03	.04
Dona Pat	.00½	.01½
Eastward	.05	.10
Elmos	.03	.06
Franco	.13	.18
Galore	.00½	.01½
Goodrock	.35	.37
Hayes Cad	.01½	.02½
Hoyle new	.07	.08½
Hugh PP	.01½	.03
Kirk Gate	.00½	.01½
Kir Town	.05½	..
Lacoma	.00½	.01
Laguerre	.04½	.06
Lake Duf	.39	.41
Lake Gen	.04	..
Lw Pete	.12	.17
Magnet C	.28	..
Magnet L	.07	..
Martin Bir	.02	.03
Mata Can	.02	.04
Mata Con	.10	.15
McMar'ac	.04	.07
Mof Hal n	.01	.02
Mosher	.05	.06
McManus	.00¾	.01½
Nat Mal	.10	.12
Nickel O	1.35	1.60
Norbeau	.16	.20
New Rib-ago	.00½	.01
Numalake	..	.12
Oklend	.02½	.03½
O'Leary M	.02¾	.03½
Opemiska	.08	.15
Orpit	.02	.02¾
Pascalis	.12	.15
Pontiac R (Old)	.03	..
Penlangio	.01	.03
Polaris	.01	.02½
●Propriety	3.90	4.15
Presdor	.01½	.02
Queb Mn	.23	.24
Rand Mal	.09	.10
Red Lake	.00½	.02
Ritoria	.01½	.02
Rouge	.00½	.02
Ranchmens (New)	.35	.37
Republic	.15	.17
SA.G.A.	.35	.75
Sachigo	4.50	5.00
Sheldon	.03	.04
Skynner	.00½	.02
Springer	.10	.12
Tombill	.10	.12
Thomson	.07	.08½
Union Mn	.02	.04
Wesley	.00¾	.02
YDavid'n	.16½	.19

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 14, 1942

Public Utility Issues:	Int. Rate %	Due	Bid July 14	Asked	Bid July 7
▲Alg. Cen. H.B.R.	5	'59	21½	23½	20
†Assoc. Tel. & T.	5½	'55	66½	69½	66½
B. C. Power	4½	'60	99	101	99
B. C. Tel.	4½	'61	105½	107½	105½
†Calgary Pwr.	5	'60	109	111	109
Do.	5	'64	104½	106½	104½
†Can. Nor. Pwr.	5	'53	101½	104	101½
•Dom. Gas & El.	6½	'45	103	105½	103
Gatineau Pwr.	5	'49	99½	101½	99½
•Do., A	3½	'69	100½	102½	100½
▲Do., B	3½	'69	100	102	100
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'57	98½	101	98½
•Int. Hydro-El.	6	'44	33	36	34
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102½	100
Macl'n-Que. Pr.	4	'59	100½	102½	100
Mtl. L. H. & Pr.	3½	'56	103	105	103½
Do.	3½	'73	101½	103½	102
Do.	3½	'63	101½	103½	102
†Mtl. Tramways	5	'51	101½	103½	101½
†Do.	5	'55	81½	84½	81½
Nat. Lt. & Pwr.	6	'49	101½	104	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102	104½	102
Ottawa V. Pwr.	5	'59	101	103½	101½
†Power Corp.	4½	'59	91½	94½	92
Quebec Pwr.	4	'62	102½	104½	102
•Saguenay P.	4½	'66	107	109	107
▲Do., B	4½	'66	105½	107½	105½
St. Maurice Pr.	4½	'70	104	106	104
Shaw. W. & Pr.	4	'61	103	105	103
Do.	4	'69	103	105	103
Union Gas	4½	'50	97½	100½	98
•Twin C. R. Tr.	5½	'52	83	86	83
†United Secs.	5½	'52	93	96	93½
‡Wpg. El. ser. A.	5	'65	86	89	85½
Do., B	5	'65	73	76	73½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	58½	..	61½
Do., C.O.D.	5	'53	58½	..	61½
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	94½	97½	94½
†Alta. Pa. Grain.	6	'46	103½	106	103½
Algoma Steel	5	'48	102½	105½	102½
Atlantic Sugar	4	'51	101	103	101
†B. C. Pulp & P.	6	'50	89	92	89½
‡†Do.	7	'50	106	109	106
•Brown Co.	5	'59	78½	81½	78½
Burns & Co.	5	'58	67½	70½	67
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'65	97	100	97
Can. Paper	4½	'52	101	104	101
Can. Steamship.	5	'57	101½	104	101½
Can. Canners	4	'51	101	104	101½
•Can. Int. Paper.	6	'49	102½	105	102½
‡Can. Locomotive	6	'53	93½	96½	93
‡†Candn. Vickers	6	'47	97½	100½	96
C. P. R.	3½	'51	97½	99½	97½
Do.	4	'49	101	103	101
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	63½	66½	64½
Dom. Coal	4½	'52	97	100	97½
Dom. Scott. Inv.	4	'52	97	100	97
Dom. Stl. & C.	6½	'55	103	106	104
Dom. Tar	4½	'51	103	106	103½
Dom. Woollens	6	'53	96½	99½	97½
†Donnacona Pap.	4½	'56	72½	75½	73
•Dryden Pap.	6	'49	101	104	101
†East. Dairies	6	'49	75	78	75
Famous Players	4½	'51	100½	103	100½
†Federal Grain	6	'49	103½	106	103½
†Fraser Cos.	6	'50	102½	105	102½
Galt Brass	5	'50	93	..	93
Gen. Stl. Wares	4½	'52	101½	104	101½
•Gt. L. Paper	5	'55	92	95	92
•Gurney Fdry.	5½	'49	85	88	86
†Gypsum Lime	5½	'48	102	104½	102
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	80½	83½	81
Ins. Ex. Bldg.	3	'51	50½	53½	50
•Inter. P. Nfld.	5	'68	95½	98½	95½
•Inv. Bond & Sh.	5	'47	35	39	35
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	78½	81½	78½
Do.	5	'61	53	56	52
Legare	6	'61	88½	91½	88½
Maple L. M.	3	'58	84½	87	84½
Man. Sugar	5	'60	102	104½	102
Massey-Harris	4½	'54	96½	99½	96½
McColl-Fron.	4½	'49	98½	101½	99
McCormicks	4	'52	97	100	97
Do.	4½	'53	104	106	104
Mercury Mills	5	'59	95½	98½	96
Mersey Paper	5	'57	94	97	94
†Do.	6	'49	95	98	96
•M. & O. Paper	5	'60	99	101	98½
Moirs Ltd.	6	'53	83	86	83
‡Mtrl. Drydocks	6	'48	83	86	82
Montreal Apts.	4	'54	50	53	33
Nat. Grocers	4	'47	101½	...	101½
			82	85	82

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid July 14	Asked	Bid July 7
N. S. Stl. Coal	3½	'63	91½	94½	93
Price Bros.	5	'57	..	87	..
•Prov. Paper	5½	'47	104½	107½	104½
Reliance Grain.	4½	'52	99	101½	99
†Restigouche Co.	6	'48	102	104½	102
Rolland Paper	4½	'51	101½	104	101½
Ruddy, E. L.	6½	'48	84½	87½	84½
Silv. Dairies	6	'66	94½	97½	94½
Simpsons, Ltd.	4½	'51	99½	102	100
Smith, Howard.	4½	'51	103½	105½	98½
Stand. Lime	6	'44	98½	..	99
Sterling Coal	6	'45	99	102	99
Stop Shop	3	'47	62	65	62
Unit. Amuse.	5	'56	100	..	100
United Corp.	5	'53	94½	97½	94
•United Gas	5½	'48	104	107	104½
United Gr. Grs.	5	'48	101	104	101
†Western Grain	6	'49	63	65	62½

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
▲Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at July 14, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., pfd.	32	35½	—¼
Atlas Steels, com.	22	24	+¼
Do., 7% pref.	105	107	—¼
Brantford Roofing, c.	2½	3	—.05
•Can. Gen. Rubber, pfd.	..	26½	+¼
Can. Mach., new com.	8½	10¾	—¼
C.P.R., 4% p. (£ par)	1¾	2½	unch
Can. Tube & Stl., 2nd p.	7½	9	+¼
Capital Wirecloth, pfd.	19	22½	—¼
Cawthra Apts., pfd.	2	3½	unch
Century Finance, com.	..	27½	+¼
Claude Neon, pfd.	1.05	1.65	+.05
Collingwood Term., pf.	1	..	unch
Do., com.	.75	..	+.05
Comm. Life, 10% pd.	6½	7½	+¼
Dairy Corp., pfd.	7	10	—¼
Dom. Alloy Steel, pfd.	.05	.15	unch
Dom. Life, 70% pd.	177	205	unch
Dover Industries	6½	7½	+¼
Eastern Steel, 5% pfd.	20½	21	+¼
†Ft. Wm. Hotel, units	..	47	—¼
Hart Battery, com.	4	4¾	—¼
London & West. Trusts	30½	32½	+¼
Mont. Deb. Corp., pfd.	2	2½	unch
Mt. Royal, new com.	3	3.60	—¼
Murphy Paint, com.	9½	10	+¼
Do., 5½% pref.	86½	89½	+¼
Nat. Hosiery, com.	.70	.90	—.05
Do., pfd.	.90	1.15	—.05
†N. Amer. Elev., 1st pfd.	84	..	—2
Do., 2nd pfd.	25½	..	—1½
Do., com.	..	1.60	—.05
St. John Dry D., 5½% p.	99½	101	—¼
Sterling Rubber, 6½% p	..	63½	unch
Supertest Pete., 6% pfd.	25½	28	+¼
Tip Top Tailors Inc., un.	12	13½	—¼
Traders Finance, rts.	7	8	—¼
Viceroy Mfg., 6% pfd.	20½	22½	—¼
Waterloo Mfg., new c.	.80	1.10	—.05
West. Can. Hydro, pfd.	11½	12½	unch
West. Life, 10% pd.	9	10	—¼
Windsor Hotel, com.	2½	3	—¼

* Issue carries arrears.

† Currently paying on arrears.

Municipal Bonds

July 14, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	114.00	117.00	3.74
Hamilton	5	1950	110.25	113.25	3.28
Montreal	5	1945	93.00	96.00	..
Ottawa	4½	1945	104.50	106.00	2.49
†Quebec	5	1959	109.00	112.00	4.02
Saint John	5	1950	105.00	108.00	3.18
†Toronto	4½	1955	110.00	113.00	3.18
†Vancouver	5	1950	100.00	103.00	4.54
Winnipeg	5	1944	100.25	103.25	3.00

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.79	1.98
Can. Amer. Trust	2.50	3.00
Can. Int. Trust	3.50	4.25
Can. Invest. Fund	3.00	3.30
Corp. Investors	3.00	3.30
Trans-Canada	3.40	3.75

Annual Meetings

1942	Company	Place
July 17	Brock Gold Mines	Toronto
July 17	Dom. & Anglo Inv.	Toronto
July 17	Queenston Gold Mines	Toronto
July 17	Yukon Cons. Gold	Toronto
July 18	Consolidated Press	Toronto
July 20	Can. Wallpaper Mfrs.	Toronto
July 24	Standard Chemical	Toronto
Sept. 10	United Securities*	Montreal

*Bondholders.

Mining Dividends

	Rate	July 13	Yield %
Anglo-Huronian	20c	2.00	..
Argus Interests	†4c	.20	..
Aunor Gold	16c	1.00	16
Bayonne	†1c	.03½	..
Beattie Gold	7c	.58	..
Berens River	6c	.65	..
Bralorne	80c+40c	6.20	*19.4
Broulan Porc.	12c	.41	..
Buffalo Ankerite	▲30c	1.51	..
Bulolo Gold	$3	8.00	..
Can. Malartic	8c	.34	..
Cariboo Gold	16c+1c	1.05	*16.1
Central Patricia	16c+2c	.85½	*21
Chesterville	▲15c	.68	..
Cochenour Willans	6c	.66	9.1
Coniagas	10c	.80	..
Coniaurum	‡7c	.65	..
Cons. Smelters	$1+$1.50	35.00	*7.2
Delnite	6c	.45	..
Dome Mines	$1.60	13.75	11.6
East Malartic	‡3c	1.30	..
Francoeur Gold	▲4c	.20	..
Goldale Mines	2c	.09¾	..
Gold Belt	2c	.10	..
Grandview	2c	.11	..
Grull Wihksne	†.00½c	.01½	..
Hallnor	40c	1.75	22.8
Hard Rock	3c	.35	..
Hedley Mascot	8c	.25½	..
Hollinger	65c	7.55	8.6
Howey Gold	2c	.15	..
Hudson Bay	$2	23.50	8.5
Inspiration	▲2c	.30	..
Inter. Nickel, com.	$2	30.00	6.7
Island Mountain	8c	1.00	..
Jason	▲4c	.15	..
Kerr-Addison	‡17c	3.90	..
Kerr Lake	▲5c	.50	..
Kirkland Lake	8c	.43	..
Lamaque Gold	40c+15c	3.45	*15.9
Lake Shore	80c	8.50	9.4
Leitch	8c	.52	15.4
Little Long Lac	▲20c	.82	..
Macassa	32c+3c	2.08	*16.8
Madsen R. Lake	3c	.43	..
Malartic Gold	▲10c	1.51	..
McGillivray Coal	▲2c	.10¼	..
McKenzie Red L.	12c	.56	21
Moneta	8c	.23½	..
McIntyre-Porc.	$2.22+$1.11	40.00	*8.3
MacLeod-Cockshutt	10c	1.20	..
Negus	2½c	.34	..
Nipissing	15c	.81	..
Noranda	$4	42.75	9.3
North Empire	‡10c	3.75	..
O'Brien Gold	3c	.55	..
Pamour Porc.	▲12c	.35	..
Pato Cons.	‡25c	2.00	..
Paymaster Cons.	2c	.17	..
Pend Oreille	▲6c	1.03	..
Perron Gold	16c+1c	.90	*18.8
Pioneer, B. C.	32c	1.35	..
Pickle Crow	30c	1.65	18.1
Placer Develop.	25c	5.00	..
Premier	8c	.45	17.8
Preston E. Dome	20c	1.66	12
Privateer Mines	12c+1c	.30	..
Quebec Gold	▲2c	.20	..
Reno Gold	▲20c	.04	..
San Antonio	14c+6c	1.57	*12.7
Sheep Creek	16c+4c	.65	*30.7
Sherritt Gordon	10c	.65	..
Sigma Mines	60c	4.25	..
Silbak Premier	16c	.50	..
Siscoe	‡3½c	.30	..
Sturgeon River	2c	.11½	..
Sudbury Basin	2½c	1.25	..
Sullivan Cons.	‡6c	.62	..
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.40	14.2
Teck-Hughes	40c	1.50	26.6
Toburn	12c+2c	.75	*18.7
Upper Canada	‡5½	.70	..
Ventures	‡15c	4.00	..
Waite Amulet	40c	4.35	..
Wendigo	3c	.15	..
Wright Harg.	40c	2.09	19.1
Ymir Yankee	▲2c	.03	..

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
Anglo-Can. Oil	■4c	Aug. 10	Aug. 1
Anglo-Can. Tele. p	68¾c	Aug. 1	July 15
Agnew Surpass	40+20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Anglo-Huronian	10c	July 31	July 17
Ault & Wiborg, p	$1.37½	Aug. 1	July 15
Bertram & Sons	15c	Aug. 15	July 31
Do., extra	5c	Aug. 15	July 31
Beatty Bros., 1st p.	$1.50	Aug. 1	July 15
Bathurst Power, A	25c	Sept. 1	Aug. 7
Broulan Porc.	3c	July 31	July 10
Brazilian Tr., c.	40c	July 18	May 30
Blue Ribbon, pfd.	62½c	Aug. 1	July 22
Calgary Power, p.	$1.50	Aug. 1	July 15
Canada Starch, pf.	■$3.50	Aug. 15	Aug. 8
Caldwell Linen, 1st p	38c	Aug. 1	July 15
Do., 2nd pref.	20c	Aug. 1	July 15
Can. South. Rly.	$1.50	Aug. 1	June 30
Can. Indust. A B	$1.50	July 31	June 30
Can. Converters	50c	July 31	June 27
Can. Pac. Rly., pfd.	2%	Aug. 1	June 30
Can. Nor. Pwr.	■15c	July 25	June 20
Confederation Life	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Bk. of Comm.	$2	Aug. 1	June 30
Cochenour W.	3c	July 25	July 10
Corr. Pap. Box pf.	$1.75	Sept. 1	Aug. 15
Can. Bronze	37½c	Aug. 1	July 10
Do., pref.	$1.25	Aug. 1	July 10
Canadian Oil, c.	25c	Aug. 15	Aug. 1
Can. Wallpaper, A B*	$1	Aug 10	July 31
Can. For. Invest., pf.	■$2	Oct. 1	Aug. 15
Can. Investors	10c	Aug. 1	July 18
Coast Breweries	3c	Aug. 1	July 15
Can. Vinegars	10c	Sep. 1	Aug. 15
Can. Bakeries, p.	$1.25	Sep. 1	Aug. 18
Dom. Scot. Inv., pfd.	50c	Sept. 1	Aug. 20
Dominion Stores	■10c	Aug. 20	Aug. 5
Dominion Tar, p.	$1.37½	Aug. 1	July 31
Dom. Found., pf.	$1.50	Sept. 1	Aug. 20
Dome Mines	■40c	July 20	June 30
Distillers Seag., p.	†$1.25	Aug. 1	July 15
Dominion Bank	$2.50	Aug. 1	July 15
Dom. Oilcloth	30c	July 31	July 15
Do., extra	10c	July 31	July 15
Foundation Co.	35c	July 18	June 30
Grandview Mines	1c	Aug. 1	July 1
Hydro El. Secs., B p	25c	Aug. 1	July 15
Honey Dew	50c	Oct. 1	Sept. 15
Inter. Nickel, pfd.	†$1.75	Aug. 1	July 2
Inter. Metal p & A p	$1.50	Aug. 1	July 15
Imperial Bank	$2.50	Aug. 1	June 30
Inter. Util. pr. pf.	†87½c	Aug. 1	July 21
Inter C. Baking	$1.50	July 31	July 21
Inter. Holdings	50c	Aug. 1	July 15
Leitch Gold	2c	Aug. 15	July 31
Langley's, pfd.	■50c	Sept. 11	Sept. 2
Do.	■50c	Dec. 11	*Dec. 2
Mtl. L. H. & Pr.	38c	July 31	June 30
McIntyre Porc.	55½c	Sept. 1	Aug. 1
Nat. Biscuit, c. pf.	†$1.75	Aug. 31	Aug. 14
Nat. Grocers, c.	■40c	July 20	July 6
Nor. Ont. Pwr.	12c	July 25	June 30
Do., pref.	$1.50	July 25	June 30
Paton Mfg.	$1	Sep. 15	Aug. 31
Do., pref.	$1.75	Sep. 15	Aug. 31
Pickle Crow G.	10c	Aug. 31	Aug. 15
Paymaster Cons.	■1c	Aug. 15	Aug. 1
Do.	■1c	Jan. 15 '43	Dec. 31
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 21
Privateer Mine	3c	Aug. 10	July 25
Prov. Transport	20c	Aug. 15	Aug. 5
Quebec Power	25c	Aug. 25	July 22
Regent Knit., c.	25c	Sept. 15	Aug. 31
Regent Knitting pfd	‡40c	Sept. 1	Aug. 15
Rolland Paper	15c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 1	Aug. 15
Shawinigan W. Pr.	23c	Aug. 25	July 24
Sigma Mines	■30c	July 25	June 30
Silbak Premier	4c	July 25	July 6
Simpsons, pref.	$1.62½	Aug. 1	July 18
Saguenay Pr., p.	$1.37½	Aug. 1	July 15
South Can. Pr., com.	20c	Aug. 15	July 20
Sher.-Williams, ord.	15c	Aug. 1	July 15
Stand. Chem.	75c	July 30	June 30
Steel of Can.	75c	Aug. 1	July 7
Do., pref.	75c	Aug. 1	July 7
St. Law. Flour	35c	Aug. 1	July 20
Do., pref.	$1.75	Aug. 1	July 20
Scythes & Co.	50c	July 15	July 10
Do., pref.	87½c	July 15	July 10
Toburn Gold	3c	Aug. 22	July 22
United Corp., A	38c	Aug. 15	July 15
Weston, Geo., pfd.	$1.25	Aug. 1	July 15
Wood, A & J, pfd.	$1.75	Aug. 1	July 15
Young-Davidson	2c	July 30	July 20
Zellers	20c	Aug. 1	July 15
Do., pref.	37½c	Aug. 1	July 15

†Payable in U. S. funds.
■Subject to approval of Foreign Exchange Control Board.
‡Also 40c payable Dec. 1.
*Subject to approval of shareholders at meeting July 20, 1942.

Quota Limits Wheat Income Despite Crop

From Our Own Correspondent

WINNIPEG.—Because western crop prospects are so good, some correction is necessary of a widely prevalent misconception about the effect on western farm income, which so far as wheat is concerned, will not be improved for the coming crop year by production above a certain level. The total of farm deliveries of wheat, according to announced government policy, is not to exceed 280 million bushels.

A crop of approximately 360 million bushels will provide for such deliveries, and necessary retention of seed and feed. If production is 100 million bushels more, as would occur if present possibilities were realized, farmers will not be able to sell the surplus, but will have to store it against possible future opportunities for disposition.

From the sale of 280 million bushels at a basic Fort William price of 90 cents, and an approximate average farm price slightly over 70 cents per bushel, wheat income will be close to $200 millions, but will not go beyond, no matter how good the crop is.

Disposal of Surplus

In some cases extra wheat will be fed, and will release a corresponding quantity of oats and barley, on which farmers have been guaranteed minimum prices without limitation as to quantity. In other cases it will provide security reserves against possible crop failures in the future. In some cases it may represent the fact that production has outrun possibilities of sale and will in essence be some of next year's work done in advance, so the problem of useful application of land and labor for the following year will arise.

Because present prospects for feed production are remarkably good, and because livestock production and dairy operations have been greatly expanded in the West, a considerable income is in sight for western agriculture beyond that produced from the sale of grain. Sale of oats and barley will make a substantial contribution.

Thus the present agricultural outlook is good, but unless the restrictions of wheat deliveries are kept in mind there is danger of exaggeration. Crop prospects in western Canada continue to be the best in many years, owing to abundant moisture supply over practically all of the West, and favorable growing conditions. Seldom has so late a date been reached without some form of damage being evident over a considerable area.

It must be remembered that the crop is by no means made as yet. Its lateness exposes it to hazards from early frost. Leaf rust may cut down yields even of wheat immune to the more dreaded stem rust. The wheat stem saw fly has been active over a considerable port of southwestern Saskatchewan and southern Alberta, and a good deal of impairment of yield may result from egg laying recently in progress. Grasshoppers are present in some numbers in different districts and under certain weather conditions which have not yet developed, may do harm.

In spite of the reduced acreage in wheat, largely offset by increases in other grains, it is quite possible for western Canada to produce this year the greatest total of grains in its history, accompanied by the greatest livestock production.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.82	$11.70	$8.58
Hogs	15.75	15.68	14.31
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2070	.2071	.16
Sugar, raw, lb.	*.0374	.0374	.0345
Wheat, Man. (bu.)	.80⅝	.80½	.74¾
Coffee, lb.	*.09⅜	.09⅜	.09
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	98.5	98.4	87.7
Wood, Gundy	77.2	77.0	74.2
Dow Jones (fut.)	86.42	85.81	73.58
Fishers	108.4	108.2	95.1
Monthly Indices			
Canada (D.B.S.):			
Retail (June)†	116.7	116.1	110.5
W'sale (May)	95.2	95.0	88.8
U. S. (Apr.)	98.8	97.6	83.2
Gt. Brit. (Apr.)	159.6	158.8	150.9

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Wheat Prices

Winnipeg Grain Futures

Week to July 13, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close July 13
		Wheat			
.82⅛	.77½	July	.80⅝	.80½	.80⅝
.90	.90	Oct.	.90	.90	.90
		Oats			
.51¾	.42⅛	July	.51½	.51⅛	.51⅛
.50½	.46	Oct.	.49	.48¼	.48¼
.48	.46⅝	Dec.	.47	.46⅝	.46⅝
		Barley			
.64¾	.55⅛	July	.64¾	.64¾	.64¾
.63¾	.57	Oct.	.62¾	.61¾	.61¾
.61⅞	.61⅛	Dec.	.61⅞	.61½	.61½
		Rye			
.66⅝	.54⅛	July	.56⅞	.55¼	.55⅞
.60⅝	.56⅛	Oct.	.58⅜	.56⅝	.58

Cash Quotations

For Week

Wheat:	July 13 High	July 13 Low	Prev. Week High	Prev. Week Low
1 Hard	.80⅝	.80½	.80¼	.80¾
1 Nor.	.80⅝	.80½	.80⅝	.80¾
2 Nor.	.77⅝	.77½	.77½	.77¼
3 Nor.	.74½	.73⅞	.73⅞	.73⅜
4 Nor.	.71⅝	.71⅛	.71⅝	.71⅛
5 Wheat	.70⅛	.70	.70	.69⅞
6 Wheat	.68⅛	.68	.68	.67⅞
Feed	.65⅝	.65½	.65½	.65⅜
Oats:				
2 C. W.	.51½	.51⅛	.51½	.51⅛
3 C. W.	.51½	.51½	.51½	.51½
Barley:				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64⅛	.64¼	.64⅛
Rye:				
3 C. W.	.56⅝	.55¼	.55⅛	.54⅝

Wheat Board Faces Allotment Puzzle In Handling 1942 Crop Deliveries

From Our Own Correspondent

WINNIPEG.—Possibility of a large wheat crop this year brings to mind troubles which may beset the Canadian Wheat Board when it comes to apportion among producers a total of deliveries insufficient to take care of all the marketable wheat.

During the current and the previous crop years a corresponding difficulty appeared to be in prospect. In each, however, the Wheat Board was saved from the necessity of making decisions which might have annoyed farmers with the quota system of deliveries, instead of leaving them comparatively satisfied as they are at present. In each there was found to be enough elevator space to take care of all the wheat farmers wished to deliver, or were to be allowed to deliver under government regulations.

For the coming crop year the government has stipulated that not more than 280 million bushels of wheat may be delivered by western farmers altogether. Approximately 20 million acres have been seeded in western Canada. That also is approximately the total of the basic acreage on which each farmer's deliveries are to be calculated, arrived at by taking, in most cases, 65% of the wheat acreage seeded in 1940. Suppose the crop is big enough to provide 100 million bushels more wheat than farmers are to deliver—how will deliveries be apportioned?

Basic Allotment

The simplest way would be to allot 14 bushels of deliveries for each basic acre. The farmer, then, who has a 16-bushel crop will be quite satisfied, as he will be left with just enough over for seed and feed. The farmer who has a yield of 32 bushels per acre will then have 16 bushels per acre which he must carry over for a year, and the one who has 48 bushels per acre will have to look after 32 surplus bushels per acre.

Such an arrangement may be attacked as unfair from several angles. There are districts in the west where 16 bushels per acre represents a fair average expectation of yield. There are others where the corresponding expectation is 30 bushels and where farmers claim that the higher cost of their land, the high taxes they have to pay, and the nature of their farming operations make a 30 bushel yield practically necessary to them if they are to break even. Then there are districts where livestock operations are heavy, and where farmers with surplus grain have an outlet through their livestock.

Other districts are quite unsuited to livestock operations, and farmers who cannot sell their wheat have no alternative outlet and no alternative source of income. There are districts where since 1928 average yields have been extremely low, and others where they have been quite good. The farmer in the unfortunate district will claim that his production has not contributed anything to the present wheat surplus, and that if his crop is good in 1942 he deserves special consideration in view of his past misfortunes. But to the farmer in the good areas the mere fact of his good fortune during recent years establishes in his mind a sort of vested right to large deliveries.

Mortgages Affected

The mortgage companies may concern themselves at this point. For loan purposes they have valued some land at say $40 per acre, and other land at $10 per acre. If allowable deliveries are to be on an equalized basis, the man on the good land with the large loan may be unable to make his payments, in spite of good farming and good fortune.

Last year's crop was poor, but some Manitoba farmers got good yields and were able to deliver 35 bushels per acre, which, on the basis of Wheat Board payments in effect, gave them perhaps $19.25 per acre at delivery point. Such a farmer, in 1942, in spite of the fact that the government advanced the basic Wheat Board payment by 20 cents a bushel, may find that he can deliver only 14 bushels per acre, yielding him perhaps $9.10 per acre.

The Wheat Board may attempt to load its delivery quota system this year in favor of those districts where crop yields in 1942 are highest. Under such a plan a basic quota of perhaps 10 bushels per acre might be allowed all over the west. That would take up 200 million bushels of the total quota. The additional 80 million bushels then might be allotted to the fortunate districts with heavy crops. A sort of rough justice might be apparent in such a plan, especially to those who get the larger quotas. Those who do not may be more impressed with the roughness than with the justice.

Fixed Carryover?

A quite different method is possible. Assume that 100 million bushels more wheat are produced than can be delivered under the government regulation. That would mean an average of five bushels surplus per basic acre for the whole west. Make each farmer carry over five bushels per acre of his crop. The plan could be recommended with confidence to farmers with heavy yields. To those with light or average yields the less said about it the better.

Still another method has been suggested. Calculate the long-term average yields of different areas, and make this year's quotas proportionate. Alberta and Manitoba might agree; Saskatchewan only if allowed to exclude the drought years from the calculation.

Whatever plan the Wheat Board adopts, it will be in danger of having its decisions attacked as arbitrary and bureaucratic. One possible out for the Wheat Board will be to ask its advisory committee to make a recommendation. Another is that its decisions will not be binding until confirmed by Order-in-Council. But the fact that blame can be divided between the board, the advisory committee and the government will not make decisions more satisfactory to whatever group of farmers finds itself aggrieved.

High school teachers of mathematics used to take pleasure, and perhaps they still do, in posing some such question as this to their students. A hires a motor car for $5 to make a round trip from Y to Z. He takes B along with him for a one way trip, and also C, who goes only half way, from Y to Z. What share of the cost should each pay? If any member of the Board, of the committee or of the government ever succeeded in reaching an answer with which all the rest of the class agreed, he may be able to suggest a solution of the impending problem which will be accepted by all farmers as equitable.

Royal Commission To Probe B. C. Ship Tangle

From Our Own Correspondent

VANCOUVER.—Appointment of a Royal commission headed by Mr. Justice S. E. Richards of Winnipeg is expected to clarify the long controversy between union labor on the one side and the federal government and Wartime Merchant Shipping Ltd., on the other respecting shipyard production on Canada's west coast.

Sessions are to begin in Vancouver July 20 and a considerable volume of evidence will be presented. H. R. MacMillan, president of Wartime Merchant Shipping, is in Vancouver and will be available as a witness if called.

Chris Pritchard and Alex McAuslane, representing the A.F. of L. and C.I.O. organizations, will act for labor on the commission, and Hugh M. Lewis of Burrard Drydock's south shore plant, and Don. M. Service, manager of North Van Ship Repairs, will represent the operators.

Unions and shipyard operators have expressed satisfaction with the commission. Most of the sittings will be held in camera.

Meanwhile, the unions have agreed to give the seven-day continuous production schedule a 30-day trial. Ordinarily that period would expire during the first week in August, but the unions have indicated their willingness to grant some leeway provided they have an assurance that the report of the commission will be delivered promptly.

Company Reports

Acme Farmers

Volume and sales of ice cream and other frozen confections improved considerably over the previous year, W. R. Aird, president of Acme Farmers Dairy Ltd., reports for the year ended Mar. 31. As a result, earnings from this source improved although the margin of profit per unit sold was adversely affected by the higher cost of ingredients. Sales of ice cream during the current year will be restricted by order to the same volume as for the past year.

With heavier demand the operations of the milk powder department contributed to improved earnings. Result of butter operations was less favorable. Prevailing prices were fairly high during the summer when the requirements of butter are manufactured, and the establishing of price control did not permit the normal seasonal increase in market value during the winter.

Income and Surplus Account
Years Ended Mar. 31

	1942 $	1941 $
Operating profit	293,022	265,069
Add: Invest. income	229	......
Net income	293,251	265,069
Less: Int. on deb. notes	49,000	49,000
Exec. remun.	8,480	8,480
Directors' fees	660	480
Legal fees	......	325
Depreciation	167,212	206,676
Taxes	27,111	21
Net profit	40,788	87
Add: Prev. surplus	264,145	264,058
Surplus forward	304,933	264,145
Earnings per share:		
Preferred	$5.82	$0.01
Working Capital	$	$
Current assets	610,820	390,462
Current liabilities	326,304	241,675
Working capital	284,516	148,787

Advertising Group Names New Head

New president of the National Industrial Advertisers Association is H. V. Mercready, of Gardwood, N.J. He was elected at a three-day meeting at Atlantic City, attended by 800. The association has branches throughout the U. S. and in Canada. J. A. M. Galilee, of Hamilton, was elected a vice-president.

Furs Are Plentiful

Loss of Export Markets Keeps Prices Down in Spite of Higher Taxes

Canada has little or no shortage of fur at present. Problem with fur is one of utilization rather than of rationing.

The new advance in taxation, to 25% as compared with the old tax of 12%, is a 13% raise. There has for years been an 8% tax on furs which was, two years ago, raised to 12%. But the basic values of fur fluctuate constantly and widely, and in spite of these taxes furs have been cheap of late years. It looks as if they might be cheaper, with a large portion of the export market cut off by war. In many cases the new tax will not raise the price of furs at all; almost half this year's furs will not be in the class affected.

Taxed on Raw Furs

The tax is not to be levied on finished garments, which have reached the maximum value level, but on the raw fur, whose cost is proportionately small, plus dressing and dyeing charges. The tanner, of whom there are about a dozen in Canada, becomes a government tax collector for this purpose. It takes about 50 muskrat skins to make a fur coat, the average value per skin varying from 50 cents to $2.75. An extra 13% on, say, skins worth $50 adds $6.50 to the cost of a fur coat, and in any case may not have to persist through the series of operations which go to make up the coat. The furrier deals with a problem which has infinite variety. Costs of his raw furs rise and drop much too drastically for the actual peaks and valleys to be reflected in the selling prices of the finished garment.

For instance, although of late years most furs are cheap, beaver skins have risen in price in the last few years, some 500%. A beaver skin in 1938 was worth $12 and today is worth $60. But beaver coats have not risen in price by 500%. The present trend is toward lowering the cost of raw furs, since so much export fur trade has been abolished and the supply of Canadian furs remains high.

To indicate the fluctuations in costs of fur garments, the following simple figures might be examined:

Fur:	Cost per skin	No. of skins per garment
Mink	$5 to $50	about 65
Fisher	$10 to $200	12-14
Beaver	$10 to $50	5-13
Ermine	$0.30 to $2.50	130-150
Hudson Seal	$1.25 to $4.50	50-55
Muskrat	$0.50 to $2.75	50-55

Raw fur cost of a mink coat might vary from $325 to $3,250, not to mention the possible differences in the cost of design and workmanship. Raw fur for a muskrat coat might cost from $25 to $151.25. This cost of fur is, of course, vastly increased by the many processes it must go through.

Tanner Pays Tax

On furs now dressed, or made up into merchandise ready for sale, the new tax will not be levied, and nearly half of this year's furs are already dressed.

There are only, in all Canada, about a dozen tanners through whose hands every skin must pass for dressing. Few furriers have enough capital to have all their year's requirements of fur dressed at one time; dyers and dressers have to work all the year round to take care of the year's furs and cannot cope with them in a few months.

Raw furs are an easily negotiable product and dressed furs are not. Raw fur, before the tax is imposed, is comparatively cheap and is not dutiable. When the demand for a certain type or quality is low in Canada, that raw fur can very easily be exported and sold, perhaps in the United States. But once the Canadian tax is levied (as the fur is dressed) the American duty must also be imposed, by international agreement. The American duty at the moment is 25%. With the present Canadian tax at 25%, and the 25% duty, a fur thus goes up 50% in price the moment it is dressed and exported.

Investment Notes

B. C. Pulp & Paper Co., due to improvement in earning power, has been able to pay off all arrears of interest on its first mortgage bonds. While payments have been resumed on the general mortgage bonds there are still arrears of six coupons.

* * *

Eastern Car Co. is asking holders of its first mortgage bonds to submit offers up to July 31, covering all or any part of their holdings. The company has set aside $52,246 to purchase bonds for sinking fund.

* * *

Zeller's sales for the first four months of the fiscal year beginning February are understood to have shown an increase of about 16% over the like period a year ago. The company's variety stores are located in a number of urban centres where buying power has been greatly stimulated.

* * *

Montreal Stock Exchange and Montreal Curb Market value of listed stocks was a shade higher at the end of June. Aggregate value was $3,553 millions, compared with $3,540 millions at the end of the previous month and $3,865 millions at the close of June a year ago.

* * *

J. R. Timmins, of J. R. Timmins & Co., members of the New York Stock Exchange and Toronto Stock Exchange, has been elected a member of the Montreal Curb Market

* * *

Consolidated Paper Corp. has issued an additional 39 shares of common stock in payment of bond interest, bringing the number of shares outstanding up to 2,560,884.

Canadian Foreign Investment Corp. advise the Montreal Stock Exchange that 850 shares of preferred stock have been redeemed and cancelled, leaving outstanding 5,977 shares.

* * *

Massey-Harris Co. has turned out the first army tanks from its Racine, Wis., plant three months ahead of schedule, according to U. S. reports. W. K. Hyslop, vice-president of the company, declared that "ultimate completion of this contract will be even farther ahead of schedule than we are today," and Brig. Gen. Donald Armstrong, deputy chief of the Chicago ordnance district, stated that tanks now undergoing tests had not been expected by the army until September.

* * *

Loew's London shareholders have confirmed defeat of a resolution that Midland Securities be given an exclusive agency for selling the company's assets. No exclusive agency has been granted right of sale, it is stated.

* * *

King Edward Hotel Co., Toronto, may be sold. Negotiations now being conducted may lead to a cash offer for the company's assets. These consist of furnishings and inventories, equipment and working capital, and constitute the security for the company's refunding bonds. The real estate is owned by the Metropolitan Life Insurance Co. F. R. MacKelcan, of the National Trust Co., receiver, states negotiations seem to be progressing satisfactorily and that when an offer is received it will be submitted to the courts.

Expect Kirkland To Get 'Break' On Freezing

While no official announcement has yet been made, The Financial Post understands that the Kirkland Lake mines will likely be an exception to the new order which freezes mill tonnages at the average of the first four months of this year.

Freezing would have worked undue hardship on the Kirkland Lake mines due to the strike which reduced milling rates the early part of the year—during the "base period." It is understood that due to this situation the pre-strike production rate will likely be "ceiling" for Kirkland Lake producers. Many of the mines are not expected to return to this full rate, however, due to shortage of labor and other factors.

Some in close touch with the formulation of the new policy, say that it is not expected that any of the dividend-paying gold producers will be seriously affected or have to cut dividends because of the order.

Canadian Tube Sales Move Up

From Our Own Correspondent

MONTREAL.—Some 1,200 workers are employed and sales for the first half of the current year have shown an increase over 1941, according to a statement issued by Canadian Tube & Steel Products Ltd. At the same time the company announces it has made application to the Montreal Stock Exchange for listing of its capital stock.

The application for listing covers 15,000 shares of 7% cumulative preferred stock, par value $100 each; 15,000 shares 7% non-cumulative redeemable second preferred, par value $35; 64,000 shares no par value common.

For some years past, transfer of shares has been effected at the office of the company. In view of the proposed listing, the Royal Trust Co., Montreal, has been appointed transfer agent and the Bankers Trust Co., Montreal, registrar.

New Brunswick Seeks More and Better Sheep

From Our Own Correspondent

MONTREAL. — New Brunswick farmers are being asked to increase their present sheep holdings by approximately 20,000 head this year.

To encourage production of high quality market lambs a programme of carcass grading is being put into effect this season. A cash bonus of 50 cents a head on all wether lamb carcasses, grading A, and 25 cents per head on all grade B wether lamb carcasses, when marketed through organized groups will be paid by the New Brunswick Government.

In addition the Dominion Government has agreed to pay the less-than-carload freight on ewe lambs when shipped by rail from districts that have a surplus to districts that are not able to fill the demand.

DIVIDEND NOTICES

PICKLE CROW

GOLD MINES LIMITED
(No Personal Liability)

NOTICE OF DIVIDEND NO. [illegible]

Notice is hereby given that a dividend of Ten Cents (10c) per share in Canadian funds has been declared, payable on Monday, August 31, 1942, to shareholders of the company of record at the close of business on Saturday, August 15, 1942.

By Order of the Board.
ROBERT FENNELL, K.C.
Treasurer

Toronto, Ont., July 8, 1942.

DIVIDEND NOTICES

PAYMASTER CONSOLIDATED

MINES, LIMITED
(No Personal Liability)

INTERIM DIVIDEND NO. 5

NOTICE is hereby given that an interim dividend of ONE CENT per share on the issued capital stock of the Company will be paid on August 15th, 1942, to shareholders of record at the close of business on August 1st, 1942.

INTERIM DIVIDEND NO. 6

NOTICE is hereby given that an interim dividend of ONE CENT per share on the issued capital stock of the Company will be paid on January 15th, 1943, to shareholders of record at the close of business on December 31st, 1942, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board.
E. L. O'REILLY,
Secretary.

Toronto, July 13th, 1942.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that a dividend of Fifteen Cents (15c) per share has been declared on the no par value Ordinary Stock of the Company, payable to Shareholders of record the fifteenth day of July, 1942, and that cheques will be mailed on August 1, 1942.

Books not closed.

By Order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.
June 4, 1942.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 222

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1942, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st August next, to shareholders of record at the close of business on the 30th June, 1942. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 19th June, 1942.

The Dominion Bank

Dividend No. 239

Notice is hereby given that a dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st July, 1942. The dividend will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of August, 1942, to shareholders of record of the 15th July, 1942.

By Order of the Board.
ROBERT RAE,
General Manager.

Toronto, 11th June, 1942.

Privateer Mine Limited

Dividend No. 15

NOTICE is hereby given that a dividend of three cents (3c) per share has been declared by the Directors of Privateer Mine Limited, payable in Canadian Funds, on the 10th day of August, 1942, to shareholders of record on the 25th day of July, 1942.

By Order of the Board.
W. S. LANE,
Secretary.

Vancouver, B.C.
July 7th, 1942.

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of Ten Cents (10c) per share has been declared on the Common Stock of the Company, payable August 20th, 1942, to shareholders of record at the close of business August 5th, 1942.

By Order of the Board,
FRED McCONNELL,
Secretary-Treasurer.

Toronto, July 7th, 1942.

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Will U. S. Inflation Controls Hold?

Inflationary Trends May Threaten Canada's Controls

By DONALD G. MacLEAN

How satisfactory the various inflation controls of the United Nations will prove will be apparent only after the war. But at present U. S. economists are apprehensive of the efficiency with which the U. S. anti-inflation machine will function.

Significant is the fact that if U. S. ceilings fail to hold, Canada's own controls will be in jeopardy. Long years of close business ties, closer war production relationships, bring added importance to the U. S. economists' statements.

They argued three basic weaknesses:

U. S. price ceilings do not cover farm prices adequately.

There is no wage or salary ceiling.

Too large a share of war financing is being carried by the commercial banks, the U. S. Government having yet to perfect a public borrowing system as efficient as Canada's Victory Loan and War Savings set-ups.

While Canada has been at war almost three years and the United States only seven months, the effect of war on business as regards inflation in the latter country has been almost as potent as in Canada. Since the spring of 1940 British and Canadian war orders, as well as Washington's own defense programme, have been powerful factors in the United States industrial situation.

Figures Run Parallel

Here is what the indices show: Compared with Aug. 1939, the cost of living in Canada was up almost 16% in April, and up about 17% in the United States. Since then the Canadian index has risen almost another point, United States figures of more recent date not being available. Wholesale prices have risen about 32% in each country. The volume of currency has increased 65% in the United States and about 140% in Canada. The figures indicate that results to date are no more alarming in one country than in the other. But there are other factors to explain U. S. alarm.

Income of the American people in 1942 has been estimated at $117 billions. Individual income tax payments are estimated at $6.5 billions with $24.5 billions going into personal savings, leaving total public spending power of $86 billions. Goods and services available for civilian consumption are estimated as worth about $70.4 billions leaving $15.6 billions unapportioned purchasing power floating loose.

If this power is used by individuals in a competitive way to procure the available stock of supplies, the result would be decidedly inflationary. In fact the tendency to bid up prices for the limited stocks available might become so strong that existing controls would not be able to check the upward trend of values. Chief of these control measures is the system of price ceilings put into effect by Washington. This system, based largely on that of Canada, has the great weakness that it is not accompanied by wage control, without which its success is seen as questionable.

Many economists feel that the methods pursued miss the best opportunity to divert this surplus purchasing power away from inflationary channels because so much of the government's financing is being done by borrowing from the commercial banks. The government sells a large part of its bond issues direct to the banks, showing a marked increase in recent months.

The statistics, however, do not show any expansion of bank investments has been as large as would seem justified by the growth in government expenditures. For instance, figures show that in 1939 investments of the United States banks, members of the Federal Reserve System in government bonds on June 30 were a little over one third of the total United States funded debt. According to available estimates, the investments of banks in United States government securities on June 30, 1942 were in about the same proportion or a little less. Here again the fears seemed to be based more on the future outlook.

Assume that the United States spends over $77.5 billions in the fiscal year ending June 30, 1943. It has been estimated that approximately $28 billions is to be raised by taxation leaving $49 billions to be raised elsewhere.

Current estimates are that about $12 billions will be obtained from private investors and about $4 billions more from institutions such as life insurance companies, trust companies, etc. This leaves about $30 billions to be absorbed by the commercial banks unless public investment can be increased. If this money is absorbed by the commercial banks, it will bring their deposits up to about $90 billions. Such a development would be decidedly inflationary because it increases the volume of credit with no change in the wealth. In effect, it creates new credit rather than transferring it from private sources to the government treasury as is done when bonds are sold to the public. On this point the United States' danger of inflation seems to be greater than Canada's.

According to figures supplied by Finance Minister J. L. Ilsley, Canada, out of $3.9 billions borrowed since the outbreak of war, obtained $2.5 billions from the public or about 64% of the whole, the balance being obtained, $600 millions, from the chartered banks, $664 millions from the Bank of Canada and $115 millions in short term treasury notes not allocated. Comparable figures are not available for the United States at the time of writing, but the recent trend has been decidedly toward financing government expenditures through borrowing from the banks rather than from the public.

In his first war budget speech in Sept. 1939 and again in Nov. 1940 Mr. Ilsley stressed the desirability of avoiding as far as possible financing war by artificial creation of credit. In the fall of 1939 the Dominion did borrow $200 millions from the chartered banks. This was repeated later, bringing the total to the figure stated above of $600 millions. But it has been stressed in government circles as a temporary measure only. In Nov., 1940, Mr. Ilsley emphasized the grave danger of following a policy of this kind through, especially when employment and production are increasing. The United States is now admitted to be near this limit. Those who are anxious about the possibility of inflation are hoping that the government policy will be changed.

It has been suggested that if the Washington Government would adopt a compulsory savings feature in its income tax programme to siphon off more of the surplus purchasing power, it would not only reduce the competitive purchasing power but would also cut the amount the government would have to borrow from the banks. Thus the problem would be attacked from two sides. Either public purchases of U. S. government bonds or taxation must be greatly increased.

Current estimates are that by June 30, 1943, about two thirds of the American banks' total loans and investments will be in government issues. If the suggested figure of $30 millions for bank purchases of government bonds turns out to be correct, total purchasing power will be increased to that extent giving a tremendous impetus to inflation.

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War Plants Arm Against Fire

Threats of Sabotage Spur Safety Measures

By IAN SCLANDERS

When Edgar Hoover's "G-men" nabbed saboteurs in the act of landing from U-boats, uncovered secret explosives stores, rounded up a ring of Nazi agents, attention focussed sharply on the need for protecting vital industries.

On both sides of the border business wondered if some saboteurs had succeeded in slipping safely ashore.

There's no answer, but the arrests in the U. S. underline the danger. They also emphasize the reason for such precautions as fingerprinting new employees of war plants, and for the high metal fences which surround such plants, the floodlights that illuminate them at night to keep prowlers from having the advantage of darkness, the armed guards who are constantly on patrol.

Second Defense Line

The fingerprinting, the fences, the floodlights, the guards—these are the first line of defense against sabotage. There's a second line inside the factories—mechanical devices to combat the saboteur's chief weapon, fire.

Practically every plant in Canada of any size has now installed a sprinkler system. Many have been blocked off into small units by brick fire walls and automatic fire doors, in order to isolate flames which might break out in one part of a building and prevent them from spreading.

Now there's an accent on "housekeeping"—on seeing that waste is not scattered around, that coats are not hung over extinguishers, that fire doors are not blocked open, that the "decks are cleared" for fire-fighting when and if this is necessary.

Upshot is that considering the greater number of factories in operation, the record of industrial fire loss this war is far lower than in the last war. In Canada last year only three fires were attributed to sabotage; in the U. S. sabotage was blamed for 30.

Industrialists appreciate that apart from the possibility of sabotage by human hand, fire itself, from whatever cause, is a saboteur. A factory burned today is more than a financial loss. It is a loss of production needed to beat the enemy.

Also, when materials and manpower are so scarce, it is more difficult to rebuild than it was in peacetime. The materials, the labor, have to be diverted from the war effort.

Whether the cost can be saved in reduced insurance rates has ceased to be the prime factor when consideration is being given the installation of a sprinkler system. Plants have them now which would never have had them in the ordinary course of things. According to underwriters' associations, Canadian industry has never before been so well armed against fire.

In addition to the mechanical devices, there has been a weeding out of hazards, plus programmes to train employees in what to do in case of emergency.

Larger plants now have their own fire brigades. Some have the personnel of each department organized to swing into action at the first smell of smoke.

Employers have found a willingness on the part of workers to take instruction after hours in fire fighting, first aid and A.R.P.

Night Inspections

Meanwhile, underwriters' associations have doubled their efforts. The Canadian Underwriters' Association, which has placed its personnel at the disposal of the Department of Munitions & Supply, is making inspections at night as well as by day.

That's to make sure that factories are kept in safe condition around the clock. A factory might be orderly by day, but all cluttered up at night. A ban on smoking where the fire hazard was high might be strictly enforced in the daytime but relaxed when the night shift came on. The inspectors drop in at all hours.

The fact that almost every plant which can be adapted to war work is running full blast in a frenzy of production would normally tend to increase the number of fires, because people are likely to get careless when they work under pressure. That's still another reason for preventive measures.

With the landing of the Japanese on the Aleutian Islands, industries in many sections are giving more attention now to air raid precautions. A comprehensive A.R.P. plan was mapped out a few weeks ago at a meeting of the Canadian Manufacturers' Association in Toronto, by civilian defense experts. Indications are that this is being widely adopted.

Air Raid Precautions

The plan recognizes that management has been given new responsibilities by the threat of air raids, and must be concerned with the protection of workers against death or injury, the protection of property, the protection of vital stores of materials and finished products, and the continuance, so far as possible, of uninterrupted production.

In Great Britain, factories are compelled by law to be equipped with A.R.P. materials. Canada has not reached that stage yet but a good proportion have been equipped voluntarily, have re-grouped electrical switch boxes under one central point for blackouts, and have obtained blackout screens for departments which must continue operations during an alert.

A.R.P. stresses fire prevention, with first aid coming next, and police and maintenance services next in order of importance. Key employees are assigned duty posts, and familiarized with what they must do in case of alarm. All employees are drilled. The complete plan takes into account protective construction, such as blast walls to protect vital machinery, but little in this direction has been done in Canada yet.

Car Accidents in Ontario Show Decline to May 31

Anticipating that gasoline rationing, lower speeds and tire restrictions would tend to reduce the volume of highway accidents, automobile insurance companies about April 1 announced a reduction in automobile insurance rates on cars in the lower gasoline rationing categories.

On April 1 gasoline rationing went into effect and on May 1 the speed limit all over Canada was reduced to 40 miles per hour.

Definite evidence of the decline that has occurred in highway accidents under these restrictions is given in figures just released by the Ontario Department of Highways.

These show the number of accidents declined from 1,528 in May last year to 903, a reduction of 40.9%. Deaths due to automobile accidents fell in the same month from 48 in 1941 to 38 this year, a drop of 20.8%.

In First Five Months

The total number of traffic accidents in Ontario in the first five months of this year dropped to 5,491 from 6,358 in the same period of last year a decrease of 13.6%. Accidents for each of the first five months of 1942 and last year according to official figures compare as follows:

Highway Traffic Accidents in Ontario	1942	1941	% Change
January	1,521	1,361	+11.8
February	1,012	1,127	—10.2
March	1,233	1,200	+2.7
April	822	1,142	—28.0
May	903	1,528	—40.9
Totals	5,491	6,358	—13.6

The lower speeds and reduced volume of motor traffic are the causes of the decline in highway fatalities in the opinion of J. P. Bickell, registrar of motor vehicles for Ontario. Evidence of the reduced volume of motor traffic is given by Arthur H. Rowan, head of the accident recording division of the Motor Vehicles Division of the Department of Highways, who states that gasoline consumption in the first five months of 1942 dropped 9.9%. This reduction, represented probably well over 100 million miles less driving.

Many Pedestrians Killed

Pedestrians continue the most numerous cases of those fatally injured in accidents involving motor vehicles. In Ontario, of 219 persons killed in the first five months in highway accidents, 96 were pedestrians.

Figures for the different classes of persons injured in the first five months for the two years compare as follows:

	1942	1941
Drivers	50	55
Passengers	64	52
Pedestrians	96	114
Cyclists	6	18
Motorcycle drivers	2	1
Motorcycle passenger	1	1
Others	0	3
	219	244

Statistics of insurance losses for the same period are not yet available, but it is believed they will also show a decline. Owing to the variation of the accident frequency in certain seasons, the companies are interested in showing the results over a 12-month period. It is believed the general trend is downward.

Staff Changes

The Dominion Bank announces the following staff changes:

G. E. HYNES to be manager Kitchener, Ont.

H. S. LANCEFIELD, formerly manager Kitchener, Ont., to special duties at head office.

JAMES STEELE, formerly accountant Montreal, to credit department at head office.

J. T. CROZIER, formerly accountant Guelph, Ont., to be accountant Montreal.

A. G. FRANCK, formerly accountant Queen St. and Ossington, Toronto, to be accountant Guelph.

H. R. HUTCHINSON, formerly accountant Fort Frances, Ont., to be accountant Regina.

D. K. KERSLAKE, formerly accountant Queen and Augusta, Toronto, to be accountant Yonge and Gerrard, Toronto.

F. J. LONG to be accountant Queen and Augusta, Toronto.

J. M. McKEOWN to be accountant King and Wentworth, Hamilton.

A. H. Morrison, formerly accountant King and Wentworth, Hamilton, to be accountant Queen and Ossington, Toronto.

R. T. RANKIN to be accountant Winnipeg.

R. E. REITZEL, formerly accountant Yonge and Gerrard, Toronto, to be accountant St. Jean Baptiste Market, Montreal.

W. H. WALKINSHAW to be accountant Fort Frances, Ont.

Insurance Marketing Development Traced

A historical survey of life insurance marketing and public relations in North America is given in Marketing Life Insurance, Its History in America published by Harvard University.

It deals with the broad field of selling and sales management. The author Dr. J. Stalson a practical life insurance man has given special attention to agents contracts, compensation and the origin and development of the agency system. He tells where agents in the past have found prospects and how they dealt with them. The book is endorsed by the Life Insurance Sales Research Bureau.

Weekly Bank Clearings

	July 9 1942 $	Change Year Ago %	July 2 1942 $
Halifax	4,521,255	+27.8	3,408,315
Saint John	2,670,383	+34.3	2,485,387
Moncton	1,571,093	+66.3	1,346,634
Sherbrooke	1,081,572	+27.2	1,043,915
Quebec	6,677,372	+15.0	5,471,751
Montreal	150,039,348	+38.7	114,102,847
Ottawa	73,041,637	+11.1	46,909,655
Kingston	1,115,754	+37.4	648,597
Peterborough	885,434	+28.4	684,595
Toronto	160,394,902	+34.2	127,692,259
Hamilton	7,829,552	+12.7	6,003,109
St. Catharines	1,431,033	—1.2	1,261,946
Kitchener	1,429,962	+19.0	1,198,946
Brantford	1,336,856	+15.4	945,316
London	4,127,013	+42.5	2,768,418
Chatham	928,139	+21.7	648,584
Windsor	4,448,491	+31.4	4,376,207
Sarnia	531,700	—1.6	375,589
Sudbury	1,172,054	+3.8	966,673
Fort William	1,126,173	+13.0	1,132,255
Winnipeg	52,523,018	—17.5	72,312,963
Brandon	570,564	+26.4	430,717
Regina	6,100,364	+31.9	3,762,414
Moose Jaw	1,000,830	+44.1	616,396
Saskatoon	2,214,863	+58.0	1,401,566
Prince Albert	906,146	+12.8	443,515
Edmonton	6,962,206	+36.6	5,305,375
Calgary	6,589,379	+14.0	6,576,429
Lethbridge	719,054	+34.0	589,200
Medicine Hat	372,149	+1.8	238,697
N. W'minster	998,843	+13.6	928,961
Vancouver	28,255,016	+48.3	25,851,370
Victoria	2,257,213	+4.3	1,775,000

DIRECTOR

H. W. Manning, general manager of the Great-West Life Assurance Co., has been elected a director. This is the first occasion in more than 25 years on which an officer of the company has been elected to the board. Mr. Manning will continue to be responsible for the active direction of the company's affairs. He joined the Great-West as assistant general manager in 1931. His election fills the vacancy caused by the death of W. H. McWilliams.

London Life Tops $800 Millions

Total life insurance in force with the London Life Insurance Co. has passed the $800 millions mark and now amounts to $812.5 millions, the company states. The increase in insurance in force for the first six months of 1942 was $43.3 millions, the largest gain for any similar period in the company's history. Figures are on a net basis.

New insurance issued by the company in the first half of 1942, exclusive of revivals, annuities and business re-insured with other companies amounted to over $82 millions. This is an increase of $7.5 millions over the corresponding period of 1941. Each month contributed to the record, including June, which was more than $1.5 millions greater than last year.

WHO is this man?

He is the man who can help you assure security and comfort for your family : : : financial independence for yourself when you retire : : : adequate protection, economically arranged and based on *your individual needs.*

Who is this man? He is the representative of The Mutual Life of Canada.

His wide experience and specialized training are available to you. Let him help you design an individual "continued income" program, expressly developed to meet your particular needs at a cost you can afford : : : as has been done for so many of the more than 170,000 policyholders of The Mutual Life of Canada.

Financial security for your family and yourself is more than ever essential in these unsettled times. Whatever your special needs, your Mutual Life representative will gladly give you reliable advice. See him today!

THE MUTUAL LIFE OF CANADA
ESTABLISHED 1869
"Owned by the Policyholders"

More Sterling Held By Bank

Increase Believed Money Acquired by Government For British Account

An increase of $4.4 millions in holdings of sterling and United States exchange is shown in the report of the Bank of Canada for the week ended July 8.

This increase would appear to represent sterling acquired by the Bank from the Foreign Exchange Control Board for the Dominion Government. The government will probably use it to meet payments in the United Kingdom, including soldiers' pay. This week it happened the report date came between receipt of the sterling and transfer to the government.

Miscellaneous assets were down about $13 millions.

	July 8 1942 $	July 1 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	551,527,493	541,243,862
Rest fund	5,585,705	5,585,705
Deposit: Dom.	19,997,234	31,308,408
Banks	215,079,088	221,306,046
Other	31,527,752	26,695,174
Total deposits	266,604,074	279,309,628
All other liabs.	10,439,751	11,833,948
Total liabs.	839,157,023	842,973,143
Assets		
In Sterling & U. S.	5,394,076	944,075
Subsid. coin	285,845	412,469
Investments:		
Dom. gov. sh.	495,515,937	493,651,746
Other Dom. gov.	323,201,316	322,131,284
Total invest.	818,717,253	815,783,030
Premises	1,887,842	1,889,090
All other assets	12,872,007	23,944,479
Total assets	839,157,023	842,973,143

C.I.U.A. Rules Are Adopted

Commission on Jewellers' Block Policy Set at 15%

At the deferred annual meeting of the Canadian Inland Underwriters Association in Toronto last week it was decided to make the new rules, rates and forms recently promulgated by the executive effective Oct. 1. The original date set Sept. 1 it was decided left insufficient time for printing and distribution of the new forms. The new rules were formerly ratified.

The acquisition cost rules of the association were reconsidered.

Deciding to leave unchanged class 1, which includes such policies as those on bridges, dams, flumes, pipelines, sewerage systems, etc., other classes were amended as follows:

Class 2 formerly including golfers' equipment, policies, personal effects policies, etc., in future will include only jewellers block policies and the rate of commission on them will be 15%.

Class 3 to consist of the personal property floater and any class of coverage which might be scheduled under it. The commission rate to be 20%.

Class 4 to include other policies not included in the first three classes excluding registered mail, armored car and messenger sendings policies. The rate of commission on these to be 20%.

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TORONTO

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Every "Valentine" medium tank that Canada makes is going to the Russian front. The first of the new heavy tanks — "Rams" — praised by Gen. McNaughton as "the best ever", have already reached our troops in Britain. Tough little universal carriers are churning the sands of Libya . . . And our tank production is really starting to roll.

As it accelerates, the present record load on existing telephone lines will become even heavier. Greater still will be the need for "Wartime Telephone Tactics."

Every local or long distance call you make is carried over a network of *interlocking* lines. Every needless delay threatens the prompt transaction of urgent war business. Do *your* part in keeping communication lines clear.

IMPORTANT
WARTIME TELEPHONE TACTICS
1. BE SURE you have the right number . . . consult the directory.
2. SPEAK distinctly, directly into the mouthpiece.
3. BE BRIEF. Clear your line for the next call.
4. ANSWER promptly when the bell rings.
5. USE OFF-PEAK hours for Long Distance calls: before 9.30 a.m., 1-2 p.m., 5-7 p.m., after 9 p.m.

These things may look trifling, but on 6,300,000 daily telephone calls, they are very important.

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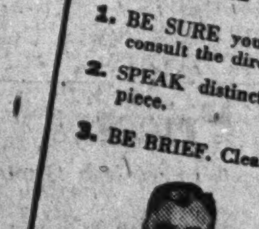

Newsprint Profits Shape Up for 1942

Drop Indicated, but Senior Charges Covered

From Our Own Correspondent

MONTREAL. — Test sampling indicates earnings of the newsprint companies for the current year will be adequate to cover depreciation, depletion and interest charges, despite a drop in production.

Prospects for earnings on equities are not overly encouraging, though in this case where a company had no funded debt, earnings will be available on the senior stock after provision for the new scale of taxes.

For several months past it has been apparent demand for newsprint paper had reached a peak. The downward trend became only too apparent in May when production slumped to 68% of capacity—the lowest scale of operations since February, 1940.

There has been no improvement in operations since then. As a matter of fact, the June returns will indicate a further decline in operating ratio.

Output is Slumping

To the end of May the Canadian newsprint companies did comparatively well. In the five-month period they produced 1,415,412 tons of paper, as against 1,347,437 for the like period of 1941.

Shipments for the five months ended last May aggregated 1,369,574. This contrasted with 1,325,764 for the same period last year.

Recent shipments have been affected by many factors—lack of shipping space, working off of accumulated stocks in the United States, exchange restrictions, rationing, etc.

There is little doubt at this stage, but that the trend both of production and shipments for the balance of the year will be well under that reported in 1941.

For all of last year the Canadian mills operated at an average of 78.9% of rated capacity, with shipments slightly higher.

The ratios this year will be appreciably lower and for those companies subjected to pro-rating —they include all those in which there is a public investment interest—production is not expected to exceed 65% of capacity.

If this expectation is realized newsprint production in Canada for 1942 for the pro-rated mills will be around 13.5% less than in 1941.

Effect on Earnings

The decline is more serious than is indicated by the drop in output. Added to the problem of declining sales, the manufacturers have had to contend with steadily increasing costs of production. With the scale of operations lowered, these higher costs tend to accelerate in respect to per ton of production.

Thus a drop of 13.5% in production, means an even greater drop in dollar revenue.

This condition is offset in part by the fact that many, if not all, the newsprint companies are supplementing their income by selling surplus pulp for which a strong market exists. Moreover, some of the operators have other interests, such as lumbering, which tends to help maintain income.

Allowing for these other and compensating features, the fact remains that for 1942 both gross and net income of the Canadian newsprint companies will be on a smaller basis than in 1941.

In making test samples of earnings this year, it is realized there are a number of factors which may, for one reason or another, throw out calculations. A careful check on the estimates indicates that though earnings will be off, net results might be considerably worse.

Lake St. John

In the case of Lake St. John Power & Pulp—a company primarily dependent for its income upon newsprint sales and to a much smaller extent on sales of surplus unbleached sulphite—it is estimated revenues for 1942 will cover depreciation and depletion, as well as bond and debenture interest.

The amount of net income available for taxes and dividends will be very small. There is little reason to expect the company can show enough to cover the dividend of $108,000 on the preferred. Unless conditions take a turn for the better Lake St. John Power & Paper will be fortunate to show as much as 3% earned on its 6% preferred stock.

St. Lawrence Paper

Inability to earn the preferred dividend naturally is a matter of importance to St. Lawrence Paper Mills which holds all the preferred.

St. Lawrence Paper Mills is a newsprint producer. Last year it manufactured around 135,000 tons. This year sales may not exceed 117,000 tons.

Allowing a proportionate share of profit per ton of paper sold, and considering depreciation and depletion on the same basis, this company may be expected to show a net profit available for dividends in 1942 of somewhere in the neighborhood of $500,000—probably under rather than above.

In 1941 St. Lawrence Paper Mills earned $578,291 on the preferred, or $4.14 a share. Prospects are it will earn about $3 a share or better this year.

Consolidated Paper

Turning to another sample case —Consolidated Paper Corp.—estimates show the decline in newsprint production will not be as serious as might be expected. This is due to the fact Consolidated has important outside sources of income. It has an important block of surplus pulp for sale, and is a substantial producer of kraft products, as well as lumber. Because of the diversity of interests, it is somewhat difficult to determine accurately what proportion of the company's income is derived from newsprint and what from other sources.

By striking an average it is possible to obtain a picture of how Consolidated will be affected by the drop in newsprint operations. Assuming revenues from outside sources will be well up to the 1941 mark and any decline in the operating profit on newsprint largely offset by lowered depreciation and depreciation reserves, bond interest charges should be covered by a satisfactory margin.

Consolidated Paper should be able to show a small balance, after taxes, on the common stock. It earned 34 cents a share in 1941. The over-all result should be a modest improvement in net working capital position.

The estimates made of earnings of these three companies—Lake St. John Power & Paper, St. Lawrence Paper Mills and Consolidated Paper Corp.—may be considered as a fair criterion of how the the other companies will fare.

Little for Stocks

Prospects of increasing earnings on junior equities appear remote. Even maintenance of stock earnings is too much to expect.

On the other hand, there is reason at this stage to believe that all the companies will be able to provide for depreciation, depletion and interest charges, with something left over to add to working capital.

Except for those companies with no funded debt, earnings on capital stock will probably be of negligible proportions.

In years past the newsprint companies followed a rule of thumb method in calculating their reserves for depreciation—usually $3 a ton of paper produced. Experience has shown this amount is far from adequate and in the last few years, reserves for depreciation have been substantially increased.

For example last year the average write-off for depreciation was in the neighborhood of $6 to $7 a ton. The income tax department has yet to make its ruling on this new policy. If the new rates are disallowed, and the companies forced to return to the old policy, the result will be a sharp advance in taxes at the expense of the stockholders.

B. C. Pulp Co. Adds to Mill

From Our Own Correspondent

VANCOUVER. — B.C. Pulp & Paper Co.'s $750,000 expansion programme, authorized by the Canadian Government last year, is now in the final stages, according to president Lawrence Killam.

Extensions and improvements at Woodfibre are completed, but the Port Alice job will take another two or three months. The project has been delayed by difficulty in obtaining equipment and materials, although it was facilitated to some extent by the fact that some of the larger units required were already in use at other plants and did not represent new manufacture.

The extensions at Port Alice and Woodfibre are expected to increase production of bleached sulphite pulp about 50 tons between the two plants, giving a total output of 400 tons daily.

Sorg Pulp Co.'s extension programme, designed to increase production at its Port Mellon plant on Howe Sound, B.C. is virtually completed, according to officials.

June Newsprint Output Reaches War-time Low

Falling Off in Demand and Shipping Difficulties Pull Down Operations — Half Year Returns Still Above Average

From Our Own Correspondent

MONTREAL. — Further contraction in shipments finds reflection in production of newsprint paper during June, applying not only to Canadian mills, but also to those in the United States and Newfoundland.

Last month Canadian mills produced 242,762 tons, the lowest production on a daily basis since Aug., 1939.

Newfoundland's two mills turned out 20,345 tons, a drop of 16% from the previous month and the lowest total since March, 1940.

The record of the American mills runs along the same lines, production totalling 79,386 tons. This is the lowest June output since 1938.

Demand Sets Pace

The reason for the falling off in production is to be seen in the shipment figures.

Last month Canadian mills shipped 253,283 tons, as against 266,443 tons in May and 281,843 tons in June, 1941. The feature of shipments in June was the sharp falling off in exports overseas the total of 11,101 tons being the lowest reported for any month in some years. This directly reflects the current shipping situation.

Canadian shipments to the United States, as reported by the Newsprint Association of Canada and the News Print Service Bureau, also fell off last month, amounting to 225,510. This is well below the average monthly shipments for the past two and a half years, but is comfortably above pre-war figures.

Canadian demand continues much the same.

Respecting Newfoundland shipments, the returns show a trade of 24,909 tons. This is above average, though returns were somewhat less than the average monthly total in 1941 and 1940.

American shipments last month totalled 78,413 tons, a slight improvement over May but some 7,000 tons less than in June, 1941.

Half Year Returns Good

The half-yearly showing of the newsprint mills compares quite favorably with the like period a year ago. Production has been kept well in hand and there has been a reduction in the volume of mill stocks.

The record of shipments shows that for the past six months Canadian mills shipped 1,622,857 tons. This contrasts with 1,607,607 tons for the like period last year.

Newfoundland shipped 130,874 tons in the first half of this year, a showing not quite as good as last year when trade totalled 153,561 tons.

Shipments from the American mills for the current year to the end of June aggregated 474,417 tons. This compared with 519,485 tons for the same period in 1941.

Outlook Only Fair

Both the trend of production and shipments in recent months clearly indicates the mills cannot expect to maintain their volume of business in the next six months. In the last three months shipments have been running well below the average of 1941 and 1940 and not much over that for 1939. At this stage there does not appear to be any good reason for anticipating a change in the downward trend.

Pacific Loggers Move To Up Spruce Output

From Our Own Correspondent

VANCOUVER. — Several weeks before Ottawa despatches reported the incorporation of Aero Timber Products, with a capital of $50,000, a little group of practical logging operators and lumbermen had their organization complete for expediting production of much-needed airplane spruce in British Columbia.

Head of Aero is Robert J. Filberg, manager of Comox Logging Co., subsidiary of the Canadian Western Lumber Co. Vice-president and treasurer is J. H. McDonald, veteran sawmill man, former president of the B.C. Lumber & Shingle Manufacturers Association, who pioneered the markets for west coast lumber in the United Kingdom, Australia, and New Zealand.

Directors include George O'Brien, president of B.C. Loggers Association; Dewey Anderson, a logger all his life, whose father used bull-teams in the old days of logging in the Middle West and the Pacific Northwest; Phil Wilson, another veteran logger; Sid Smith, head man in timber production for the huge Bloedel, Stewart & Welch organization; Percy Sills, for many years a leading figure in the export of high grade lumber to the British Isles.

Outlines Plan

"Our plan is to boost spruce production for aircraft," said Mr. McDonald, describing the objectives of Aero Timber Products to The Financial Post. "The Queen Charlotte Islands have borne the brunt of the production load so far, and companies such as Pacific Mills, Allison Logging Co., J. R. Morgan, and Kelley Spruce Co., have performed an excellent job in the face of labor and transport difficulties.

"It will be our business to supplement their work; to go wherever there is spruce suitable for aircraft production and get it on the way to the mills. We have been promised the full co-operation of loggers throughout the coast sections of British Columbia and they have offered the use of their equipment without profit wherever and whenever it is needed."

Sitka Spruce Needed

Timber Controller A. S. Nicholson, fresh from a flying trip to Britain, brought to British Columbia timber operators a realistic story of the demand overseas for the type of timber which the Pacific coast can produce—clear-grained, strong, light Sitka spruce.

Mr. Nicholson told of his conversations in England with Major Harris, who has been boss of the timber supply department in Britain almost since the war began. Major Harris explained that spruce was needed for the production of high-flying fighting and bombing planes suitable for carrying the offensive into Germany. Spruce, he said, could help immeasurably in speeding that offensive.

Last year B.C. produced about 75 million ft. of airplane spruce in logs, but so exacting are the requirements of the airplane industry that this was equivalent to the production of only a little more than 15 million ft. of lumber. The goal this year was to double that amount, but with labor shortage and other troubles facing the industry it seems unlikely that it will be attained. It was obvious, this summer, that with production facilities as they were, the volume could not be greatly extended. The answer to that problem was formation of Aero Timber.

Log Production Down

Meanwhile log production is gradually increasing in other directions. Due to labor shortage in the woods production in March and April was down 14% compared with last year's corresponding period, but in May the decline was only 9%, and Douglas fir, the most important species for general construction, was down only 4%.

The lumber industry has had a steadily mounting demand this year, so there is a real shortage in nearly all species. For that reason the timber controller has brought into effect a new order reserving 75% of the total cut in B.C. sawmills for Canada and the British Empire. This leaves only 25% for export to the U. S. and other countries.

The timber controller states that railway requirements of lumber have been postponed in Canada until now they are an urgent war necessity. The demands of the Canadian railways must be supplied and until they are met there can be no car material for new construction or repairs exported.

U. S. Paper Mills Cut Scale of Operations

From Our Own Correspondent

MONTREAL. — Further drop in U. S. paper mill operations is reported by the American Paper & Pulp Association. During June operations averaged 87.2% of capacity, the lowest monthly figure since January, 1941, and comparing with 95.5% in May.

A similar trend is reported by paperboard mills which operated at 82% of capacity in May, as against 93% in April and 91% in May, 1941.

Newsprint Mills Curtail Activity

From Our Own Correspondent

MONTREAL.—Scale of operations by Canadian Newsprint mills last month was the lowest for any month since the start of the war. According to the Newsprint Association of Canada the mills operated at 65.6% of capacity. This contrasts with 68% in the previous month and with 77.9% in the same month last year.

Principal contributing factor to the shortness of operations last month was the sharp decline in shipments to overseas markets.

Pulp Output High in B. C.

See Production Equal to Last Year's Record Despite Handicaps

From Our Own Correspondent

VANCOUVER.—Although hampered by shortage of logs and labor, British Columbia's pulp and paper industry is likely to equal the all-time record set last year when output was officially valued at $27.7 millions. This compared with $22.9 millions in 1940, and a ten-year average of $15.6 millions.

Total production of newsprint in B. C. last year was 275,788 tons, compared with 262,144 tons the previous year. Pulp other than that manufactured into paper totaled 172,811 tons. Paper other than newsprint totalled 75,453 tons, compared with 66,428 tons in 1940.

Logs were exported to the value of $4.2 millions—a new record.

Herbert J. McKenzie, of Vancouver, former manager of Export Sales Co., has been appointed manager of the newly organized British Columbia branch of the Canadian Pulp & Paper Association, whose object is to maintain closer coordination between mills on the west coast and those in the east during wartime.

Power Demands Rise Sharply

Firm Power Consumption in May 20% Over Last Year's Figure

From Our Own Correspondent

MONTREAL. — Accelerated demands from war industries and excellent water conditions are reflected in the output of central electric stations. According to the Dominion Bureau of Statistics production in May totalled 3,175 million kw.h. of electrical energy. This contrasts with 2,805 million kw.h. in May last year.

Exports to the United States last May reached a new high at 226 million kw.h., made up of 124 million kw.h. of firm power and 102 million kw.h. of secondary power. The increase over May, 1941 exports, amounting to 15 million kw.h. was practically all on secondary power.

Production of secondary power for use in Canada amounted to 292 million kw.h. as against 389 million kw.h. in May, 1941.

More Energy Used

Consumption of firm power in Canada, output less exports of secondary power, amounted to 2,657 million kw.h. compared with 2,206 million kw.h. in May last year, an increase of 20%.

Production of power by provinces this year together with comparative figures for the same period a year ago, follows:

(Thousands of Kilowatt Hours)
January-May

	1942	1941
Prince Ed. Island	4,106	3,516
Nova Scotia	213,143	197,241
New Brunswick	215,673	193,152
Quebec	8,571,170	6,892,994
Ontario	4,343,136	3,980,817
Manitoba	718,945	597,401
Saskatchewan	280,459	239,929
Alberta	154,475	120,814
British Columbia	1,068,077	946,461
Total	15,569,184	13,172,325

War Accelerates Package Moves

Use of Steel Strapping Proves Help For Many Goods and Materials

Packaging has undergone changes in recent years, accelerated since the war started, to promote efficiency, prevent breakage and spoilage, reduce shipping space, simplify loading and unloading and generally to reduce costs. As part of this development, extensive use of steel strapping has come. It has required the development of special tools and technique of packaging. The results are proving particularly valuable under present conditions of restricted shipping space and difficult handling conditions for many war materials.

The whole story is told by a maker of the steel straps and strapping equipment, Acme Steel Co., a United States firm with branches in Canada, making steel straps and strapping equipment, has been active in this line. It shows applications ranging from salt pork to giant army trailers, chemicals, crated airplanes, and textiles and many other lines.

Clubs Send Britain Big Milk Shipments

More than 3.5 million quarts of milk have been sent to the children of Britain by Kinsmen Clubs of Canada, according to an announcement by the Milk-for-Britain Committee. The original objective had only been 1.5 million quarts by July 1, but the success of the effort exceeded all expectations.

The Dowager Marchioness of Reading, chairman of the Women's Voluntary Services of Great Britain, has written Kinsmen expressing "deep gratitude." Big shipments of milk, in dried form, are continuing.

The war service effort will be one of the main subjects when representatives of the 96 Kinsmen Clubs of Canada and Newfoundland meet at Vancouver, Aug. 6, 7 and 8.

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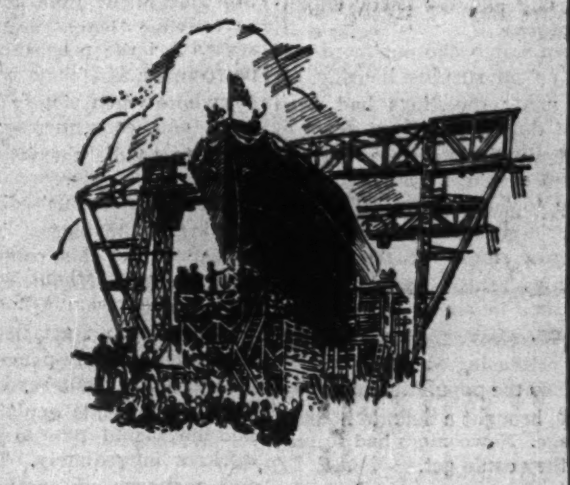

SHIPS
OUR CHALLENGE TO THE U BOAT

Canada started this war with virtually no active shipbuilding industry. To-day there are 17 major and 58 smaller yards which, with subsidiary industries, employ 40,000 men. Canada's first 10,000 tonner, launched in October last year, completed its first Atlantic voyage in February! Since then many others have been launched and the present programme calls for 172 new cargo ships costing $325,000,000. Keels for over 50 have already been laid. Before the year is out we will be launching a new ship every few days.

Over 500 Canadian industries are making components for these ships. About 95% of the material used in their production is now "made in Canada."

Not included in these figures are some 200 naval ships already launched, the large majority of them corvettes and minesweepers.

This advertisement is published as a contribution to the general knowledge of our country's war effort and as an inspiration through the days ahead. For reasons of security complete figures are not available. The facts presented, however, are impressive evidence of the growing might of Canada's war machine.

THE ROYAL BANK
OF CANADA

The Post Studies a War Town

And Finds it Keeping its Head Amid New Problems

By IAN SCLANDERS

Long established, this industry today devotes all its facilities to filling war orders. In the race to produce weapons to beat Hitler and save the democratic way of life, it has enlarged its capacity, taken on nearly 3,000 new employees. It is the biggest plant in an industrial centre studied by The Financial Post, but others have felt the impact of war in the same way. Right now, this factory could use several hundred more workers. It finds difficulty bringing in outsiders because the housing shortage is so acute.

You notice the theatre queues on a week night, the jammed restaurants, stores and soda fountains, and you know you're in a war town. At night the town looks too big for itself.

From all over Canada men and women have poured in to work its war plants. On freight cars and in pullmans, by auto, trailer, and bus they have come to keep the war wheels turning and to revolutionize the life of a city.

Almost as dramatic as the flood of war weapons turned out by the newcomers to Canada's industrial towns are the changes they have wrought in the fabric of those towns. To evaluate these changes, get them in perspective, editors of The Financial Post selected a medium-sized city in central Canada where industrial payrolls have doubled since 1939.

Ideal Laboratory

For a wartime guinea-pig, this city has about every qualification. It has long been a manufacturing centre, but never before on the present scale. It has a rich agricultural setting, a mainstay of its peacetime trade, a fruitful source of workers for its war plants. It is big enough (27,700 in 1939) to have well-developed industries, small enough to be drastically affected by the wartime increase in employment and production (2,700 new workers in one plant). A Loyalist settlement originally, it is old enough and sufficiently well established to give an ideal contrast between the slow and steady growth of the typical Canadian city and the hectic expansion of war.

When war broke out there was little or no surplus housing. A good many dwellings had been vacant during the worst years of the depression, mainly because reduced earnings compelled some people to "double up." The economic improvement in 1937 and 1938 saw most of the vacant dwellings rented again, but did not usher in any great wave of building.

Housing Shortage

In 1940 the population increased by 900, brought a definite housing shortage. Newcomers had to rent what they could get.

Civic leaders encouraged the people to take in roomers. They pointed out that we had to have munitions production to win the war, that the factories couldn't produce without workers, that the workers had to have some place to live. Many took in roomers solely for patriotic reasons.

In 1941 the population rose another 1,800, and the housing shortage became acute.

Employers made a canvass to find living accommodation for new employees. The clergy aided, so did organizations like the Y.W.C.A. More and more people took roomers.

Again, as in the depression, families doubled up under a single roof. This time it was not to save money but to stretch shelter.

Wartime Housing

Wartime Housing Ltd. came to the rescue in May, 1941, putting up 300 wartime houses on the outskirts of the town. All of these were occupied as soon as they could be completed and in some cases even before.

It is estimated that in the last year the population has increased by another 1,200, although definite statistics have not yet been compiled. Wartime Housing is building another 100 houses, which have all been spoken for, and will probably put up an additional group of 150 houses before the summer ends.

There has been no opposition to the housing projects, nor have people been worrying about whether the influx of war workers might some day saddle them with a large relief roll. The Board of Trade secretary summed up the general feeling when he said: "We want to get the war over first, before we start worrying about anything else." He added that citizens have shown how they feel toward the war workers by the way they have opened their homes to them.

A leading real estate broker told The Financial Post that at least 200 new homes are needed, over and above the temporary houses under construction or planned. Particularly scarce are houses in the $50 or $60 rental bracket. He said he had to turn away an average of 10 home-seekers daily.

Rent control, imposed in April, 1941, appears to be working in this city. Rents were pegged to Jan. 1, 1941, levels, perhaps 10 to 15% above depression lows.

Real estate values have not shown any tremendous increase. A bungalow which would have sold at $3,000 before the war now brings about $3,500. Few residential properties are on the market. Nor, outside of Wartime Housing, is there a great deal of residential building. The shortage of labor and supplies discourages building, as does the uncertainty of a building investment in a town with a wartime boom and pegged rents. A large proportion of the newcomers feel they will move elsewhere when victory has been won, and consequently do not want to saddle themselves with permanent homes.

There is not much doubt that housing is the biggest industrial bottleneck in this centre. The factories need employees—need them badly.

"But we can't get them when they can't find any place to live," the personnel manager of one of the largest plants explained. He said he would like to hire 300 workers immediately. The general manager of another plant said he would hire 100 right away, if he could get them.

"There are no houses to put men into," he said. "We have brought in experienced men who worked a couple of weeks, then left because they could get no accommodation."

Threat to Health

Housing problems are putting wrinkles on the forehead of the amiable and highly efficient medical health officer of this city. "Our T.B. rate," said this M.O.H., "is one of the lowest in Canada—only four deaths from tuberculosis last year in a population of 30,000. My opinion is that this rate is bound to rise because of housing conditions, and because of new cases coming in from outside.

"Our infant mortality rate has also been very low, but I expect this will also go up because of the housing situation."

He explained that experience has shown that overcrowded conditions have a bearing on infant mortality.

There has been no noticeable increase in scarlet fever, measles, diphtheria, nor have infantile paralysis or meningitis appeared, although these diseases often go hand in hand with overcrowded housing.

This city was one of the pioneers in venereal disease control, and pretty well stamped out venereal diseases with a thorough and extended programme. The medical health officer believes the V.D. rate is increasing slightly at the present time, despite precautions.

Trailers—Keep Out!

Trailers have not been much of a problem. Those who arrived with their families in trailers have been told that they will have to go outside the city limits. The order is backed up by a by-law. Trailer colonies, without proper sewerage, might easily prove a health menace.

The finance committee of the City Council has been discussing plans for a trailer park with water and sewerage, but nothing has been done yet, and gasoline and tire rationing may obviate the need.

Early last month, the number employed in this centre was 10,063, according to figures compiled by the Board of Trade secretary, who estimates that the number employed in 1939 was between 5,000 and 7,000. Wages, generally, are higher. One large plant increased the number on its payroll from 1,800 to 4,500, from Sept., 1939, to May of this year.

The new money has given new life to old businesses, led to the opening of new establishments. Chain stores have been quick to see the opportunity. No additional stores have been opened in the last month or so, and it is not likely there will be many more, due to the scarcity of merchandise.

One prominent long-established merchant told The Financial Post his gross sales had gone up 40% since the war. Another said his sales had increased more than 50%. It seems likely that the volume of retail trade generally is up around 45 to 50%.

Farewell to Debt

Old accounts are being paid off. "Credit collections are very good, and have been for the last eight months," the manager of the Credit Bureau said. "A lot of old stuff that was uncollectible in the relief years is being cleaned off."

Typical is an account being collected from a man 60 years old, who for the last few years had been earning $10 or $12 a week doing odd jobs. Now he is earning $30 a week in a steady job.

Even long overdue doctors' bills are being met.

"We are all collecting old bills we never expected to collect," one physician said. "We are also doing a lot of work that wasn't done before because people had no money for operations, hospital bills and so on. People put off operations they should have had. They are having them now. Our hospital, with 160 to 170 beds, is full, and there is always a waiting list. Before the war it had lots of empty beds."

Movies and Marriages

Vital statistics of the city imply that people who couldn't afford to get married, or couldn't afford to have babies, are now doing both. There were 497 marriages in 1941 compared with 240 in 1937—more than twice as many. There were 934 births, compared with 588 in 1937.

In the depression years there were only two theatres. There are now five. Facilities for such amusements as pool and bowling have been expanded.

One new beer tavern has been added, bringing the total number to 16. The sentiment of the city is predominantly dry, and licensing of the extra beverage room brought the wrath of many of the citizens on the head of the provincial government. Protests were accompanied by demands that all beverage rooms in the community be subject to a 10 p.m. closing regulation. The government acceded to this for a time, but the closing hour has now been fixed at 11.30.

Fond of sports, the city built an arena in 1937. More than $70,000 was raised for this by public subscriptions, while the city put up $40,000. The $40,000 was to be retired in annual payments. Crowds which have attended sports events have been so large that there are now funds on hand to cover all debenture payments up to 1949. Senior hockey games last winter had 54,000 customers.

Church attendance has shown no marked increase, although the offerings in the collection plates are a bit larger. According to clergymen, the new people who have come in and joined the church just about make up for the parishioners who have to work on Sunday shifts in factories on a seven-day-week. Clerics find themselves busier than ever with social problems outside the church. Most of them are doing a good deal to help newcomers get adjusted to the life of the community.

Crowded Classrooms

So far, school facilities have been adequate to accommodate the increase in enrolment. Any crowding has been in the lower grades of schools located near the housing projects.

The fact that so many new pupils came from isolated rural schools, where courses were irregular and the distinction between grades—all taught by one teacher—was somewhat blurred, has led to an interesting experiment. Two "ungraded" classes have been opened. These are really one-roomed schools within city schools. In one of the classes are children in grades one, two and three, and in the other children in grades four, five, six and seven. The youngsters range in age from 5½ to 14.

Teachers suspect that working mothers are unable to care properly for their children, that homes are being upset. A survey was attempted, but there was no conclusive finding.

Kids Won't Talk

The school inspector is inclined to put this down to the fact that that in a community of 30,000, children are less apt to reveal family circumstances than in a larger community. "They are rather reticent about letting grown-ups know their mothers are working or that they are not properly looked after," he told The Financial Post.

Wartime prosperity has at least brought an improvement in the clothing worn by the pupils. It is not possible to distinguish between the sons and daughters of the more well-to-do and those of citizens with less means.

The city council has not gone on a spending spree, despite excellent tax collections.

Estimates of city expenditure for the current year remain just about unchanged from those of 1941 and 1940—around $1.5 million. The city had a surplus of $95,000 on operating account last year. Old debentures are being retired at a greater rate than new capital expenditures are being made, with the result that debt charges are coming down.

In 1940, direct relief cost $179,000. This year, the estimate is $53,000.

City Hall Happy

Total assessment has increased from $24.8 millions in 1938 to $27 millions in 1942. This, plus the reduction in cost of carrying debt and relief, has enabled the tax rate to be dropped from 44 mills in 1938 to 33.5 mills in the current year. Last year the rate was 35 mills. In spite of the cut in tax rate it was possible to give city employees a wage bonus. Yet the city finds it difficult to replace help in the face of the demand from war plants.

Families which used to keep two maids now consider themselves lucky if they have one—and she will probably be earning nearly as much as the two earned before. Many families who formerly had one domestic are now doing without. The girls find factory work more attractive than housework.

The city has no trouble with its water supply. This is not pumped, but flows by gravity. However, last summer people were asked to ease up on watering their lawns, so the flow through the mains would give adequate pressure for industrial purposes and in case of fire. This summer it may be necessary to have compulsory regulations about lawn watering. Water consumption has increased more than 200 million gallons since 1939. Additional chlorination equipment is being installed now.

Transportation facilities have been badly strained. Total traffic carried has increased about 75% since 1939. This city abandoned street cars for buses early in 1939. Fortunately, tracks and wires were not removed, and some trams are now back in operation.

Transport is not so great a problem as in larger cities where people have to travel farther. It is still possible here to get a seat in a bus or street car except in rush hours. There has been no attempt at staggering working hours. The large industries charter buses to carry some of their workers.

City Plays Host

There is an elementary flying training school near the city and a military camp 12 miles away. Citizens do much to see the men of the forces are well entertained when they come to town. Besides the usual canteens and so on, there are organized dances.

Some of these are sponsored by the Y.W.C.A. and serve the double purpose of providing recreation for the soldiers and airmen, and at the same time giving the girls—many of them strangers without friends—a chance to meet men in good surroundings.

Y.W.C.A. officials say this is much better than having lonely girls meet the boys in taverns, or get picked up on the street. It is impressed on the girls at these dances that there is one rule they must not break. They must not leave the dance floor with a man. When the evening is over the soldiers depart in army trucks, the girls remaining until they have gone.

There is no taboo on dates between couples who meet at these parties, but the boys are encouraged to call for the girls at their homes or boarding houses, and not meet them "up town."

A good deal has been done by the Y.W.C.A. to improve the lot of women in the factories. At present the organization is urging the establishment of girls' dormitories. Members of its staff say there are many cases of several girls sharing a room which should only be occupied by one or two. Frequently girls working on a night shift will occupy a room by day, while girls on a day shift will have it at night.

And Keeps Its Head

If anything, community efforts are meeting a better response than ever. For instance, the Victory Bags Association, up to the end of March, had collected 2.8 million pounds of material, realizing more than $23,000 from its sale. Thus far this association, one of the first organized in Canada, has donated more than $10,000 to the Red Cross—a notable record.

By and large this city has done a good job of keeping its head in an unprecedented boom. There is no spectacular "boom town" atmosphere. There is little, if any, gambling. There is not much drinking and the average person is more likely to be found at a theatre or a baseball game than in a tavern. Crime has not increased much and is mostly of a minor character. In spite of the housing shortage, there has been only a slight deterioration in health. The schools are looking after the children adequately. And the city council has not gone on a spending spree. Newcomers have been absorbed in the community, and made welcome.

What has happened does not make a dramatic story. It is mostly a story of a plain commonsense reaction to unusual circumstances. Throughout, the reaction is marked by a degree of kindness, clear-thinking, realism, honesty and patriotism.

St. Catharines, Ont.—the city in question—has a lot to be proud of in the way it has met the impact of war.

New Books . . .

Southern Abolitionists

TAP ROOTS. By James Street. Published by Longmans, Green & Co., Toronto. Price $3.50.

"Tap Roots" does considerably more than add another 593-page volume to the overflowing literature of the U. S. Civil War. It treats a hitherto neglected aspect of that titanic struggle and in so doing presents the reader with a first-class novel.

As Author Street points out, "The idea that the South rose to a man to defend Dixie is a stirring legend . . . and nothing more." There were a great number of communities and many more scattered individuals that hated slavery, fought and intrigued against the Confederacy. Only a small percentage of southerners actually owned slaves and, in many cases, the slave labor was far more costly than the work of free whites or freed negroes.

Several regions openly seceded from the Confederacy, among them the county of Street's birth which he portrays as the "Free State of Lebanon" in "Tap Roots." The tale of the county's secession from the State of Mississippi, the retaliation of the Confederates, and the guerrilla life that followed, must closely parallel what is taking place in occupied Europe today.

James Street does not fall into the common error of historical novelists. Despite the fact that he is giving a history lesson, his characters remain consistently human, are not twisted to suit the needs of history. Only one character—that of Keith Alexander—strikes the reader as being overdrawn, but is the one most directly borrowed from real life.

How the Wheels Go 'Round

THE PROFIT MOTIVE AND "MAXIMUM PROFITS,"
FREE ENTERPRISE, PRICE POLICY AND DEMOCRACY,
AREAS OF APPLICABILITY OF LOW-PRICE POLICY,
Three chapters from the forthcoming book "Price-making in a Democracy" by Edwin G. Nourse. These chapters are published separately in pamphlet form by The Brookings Institution, Boston. Price 25c. (U. S.).

These three slim pamphlets are a very scholarly discussion of some of the foundations of the business system, and a realistic appraisal of the impact on traditional standards of judgment and of technique made by developments of the past three decades. Typical of these changes is "professional management"; the kind of management which Burnham analyzes in his striking book "The Managerial Revolution."

These chapters by Nourse are worth the attention of businessmen who are ready to dig deep to find out precisely how the wheels of business go round. Nourse is not riding any hobby horses.

Wants Better Price For B.C. Railroad

From Our Own Correspondent

VANCOUVER.—Negotiations for the purchase of Pacific Great Eastern Railway by an American syndicate, long carried on in an atmosphere of mystery, came into the open last week when Premier John Hart admitted that he had rejected the offer.

The British Columbia-owned railway, now representing an investment of $90 millions of provincial funds, had been proposed as a link between the Pacific coast states and Alaska, via Vancouver.

The first offer to Premier Hart was made months ago. Negotiations were renewed a few weeks ago.

"After perusing the document I am not prepared to sign it," wrote Premier Hart in turning down the bid. He added that the government would be pleased to examine future offers from any accredited American official or any American railroad of standing.

"We would be reasonable," said Mr. Hart, "and we do not expect to sell the line for the full $90 millions. Personally I would favor appointment of an impartial board of engineers to determine a reasonable selling price."

Line Never Completed

The Pacific Great Eastern has been a heavy load to B.C. for years—ever since it was taken over from the contractors during the last war. The province never had the funds necessary for its completion from Squamish south to Vancouver or from Quesnel north to Prince George to meet the Canadian National line, as has been originally planned. However, the road is paying its operating costs, and there is no disposal to sell at a sacrifice price.

The group of Americans interested in taking an option on the line was headed by H. C. Orton, of Chicago, a director of the Milwaukee Railroad, although he was acting independently. Orton is president of the American Petroleum Co., the Midcoal Mining Co., the Kozak Gold Mining Co., of Toronto; the Mid-American Resources, Inc., Orton Land & Cattle Co. and the United States Mercury Co.

May Get Higher Bid

He asked for a six-month option on the British Columbia road, and it is not unlikely that the American syndicate may revise its bid upward in view of Premier Hart's attitude.

Puget Sound interests are reported disturbed by prospect of losing Alaska trade as a result of the trend toward construction of new transport lines north through Edmonton, linking the Middle West with the northland while cutting off the west coast.

Foster McGovern, of the Seattle chamber of commerce, expressed the attitude of Pacific Northwest states when he said:

"Our job is to find a feasible way of tying into the new Alaska railway. Our interest is to get some kind of a physical connection on which traffic from Seattle can move to Prince George. This is not only important to railroads which run into Seattle from the east, but also for north and south business.

"As it is now, traffic originating on the Pacific coast—in California, Washington and Oregon—would move to Vancouver, and then be carried east to Red Pass Junction, and west again to Prince George over the Canadian National."

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REVENUE ACCOUNT

Premiums—(Fire, Accident, General)		$33,582,215
Interests and Rents		808,130
		$34,390,345

BALANCE SHEET — 31st December, 1941

ASSETS

Government, Provincial and Municipal Securities		$30,746,069
Railway Stocks and Debentures (Market value 31st December, 1941, $46,015,380)		9,185,845
		$39,931,914
Cash in hand and on deposit		6,190,749
Branch and Agency Balances		7,911,910
Amounts due from other Companies		528,835
Interest and Rents Accrued		207,844
		$54,771,252
Shares of Companies Controlled		2,461,441
House Property and Corporation's Offices, less depreciation		5,499,587
		$62,732,280

LIABILITIES

Insurance Funds		$12,025,879
Reserve for Outstanding Claims—estimated		22,993,950
Sundry Creditors including Outstanding and Accruing Expenses		6,807,826
Deposits at Interest		21,327
Unclaimed Dividends		7,022
Provision for Final Dividend, 1941		394,392
Amounts due to Agents and Other Companies		1,441,496
		$43,691,892
INVESTMENT RESERVE		2,000,000
SURPLUS AND CAPITAL		
General Reserve	$12,500,000	
Balance Appropriation Account	2,616,526	
	$15,116,526	
Capital Paid Up	1,923,862	
		17,040,388
		$62,732,280

The Funds of the Corporation and its Associated Companies at 31st December, 1941, in the aggregate exceed $107,000,000 ($5 taken as equivalent of £1 Sterling)

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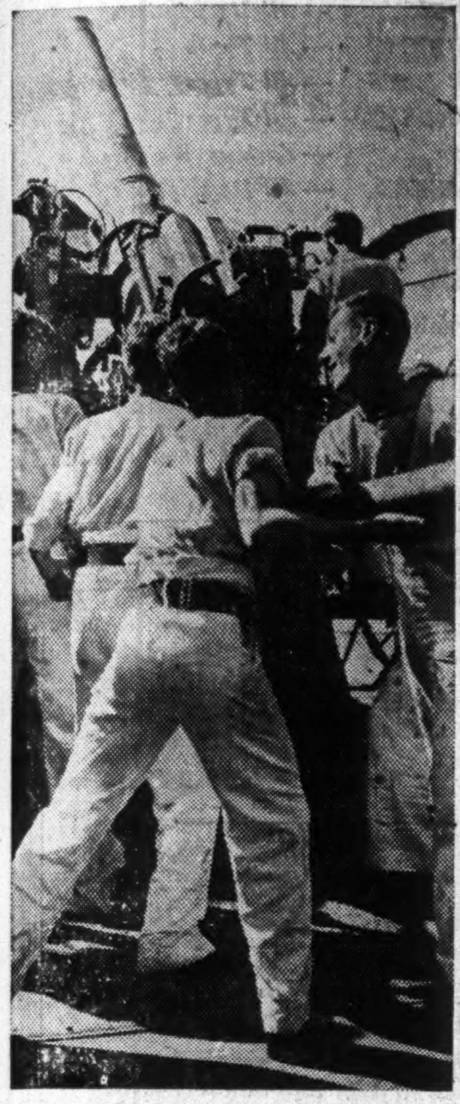
Textiles Fight on Two Fronts

War Brings Heavy Duties to Canada's Third Largest Industry



Naval Uniforms Take Wool and Cotton

The Army Needs Uniforms, Sand Bags, Tarpaulins

The Air Force Needs Special Flying Kits

Photos: R.C.A.F. and Public Information.

By JOHN E. LANGDON

Canada's textile industry has been fighting on two fronts ever since the war started.

On the war front in England, Libya, the Near East, Russia, Newfoundland, Greenland, the West Indies, Alaska, China, will be found the products of the 561 primary textile manufacturing plants strung across the Dominion.

On the home front the civilian needs of a nation at war are being met.

Back of this tremendous achievement is an army of 140,000 workers. For nearly three years they have been working day and night to meet the demands of Canada and other members of the United Nations.

Before the war their achievement would have been sonsidered well nigh impossible. Yet the industry has been able to meet the demands put upon it, an understanding tribute of the efficiency and organization of an industry whose place in the Canadian economy has never been questioned.

Outstanding Contribution

Long established, large, competent in technical skills, experienced in management, the textile industry has done its job without major bottlenecks, without government capital aid. The companies themselves mainly apportioned the jobs to be done among the mills and the companies themselves paid for the enlargement in plant and equipment required.

Last year output of cotton fabrics passed the 300 million yard mark for the first time in the history of the primary cotton division. Production was nearly a quarter larger than the average annual figure for the preceding three-year period.

Wool fabric production last year was maintained at the record level reached in 1940. Over 27.7 million yards were fabricated, an increase of 43% over the annual average from 1938-1940 inclusive.

Knit goods production last year, on the basis of dollar output, was 30% above the previous year's figure.

Rayon fabric output, including spun rayon and rayon-cotton materials, totalled 70 million yards, nearly half as much again as produced in the average year from 1938 to 1940.

How much of the increase is due to actual war demands and how much to increased civilian buying power cannot be determined with exactness but in the primary cotton division, it is now estimated some 70% or more of total production is directly and indirectly for war purposes. In the wool yarn and cloth sections, well over two thirds of capacity is devoted to war work and production of knitted goods for war purposes accounts for between 15 and 20% of equipment employed.

In other branches of the industry, silk weaving, thread manufacture, etc., an even higher percentage of equipment is employed on war contracts.

Big Contracts

Contracts placed directly by the Dominion Government convey an idea of the tremendous job which the industry has taken on.

Since last October the Department of Munitions & Supply has placed two main contracts with the cotton industry. The first called for 12.9 million yards of material; the second for a little under 11 million yards. Deliveries started in October last and by next September all shipments will be completed.

Contracts placed for wool goods and blankets from the start of the war to the beginning of this year aggregated 22 million yards of cloth and over 2.8 million blankets.

Here are the orders for knitted goods placed between Jan., 1941, and Feb., 1942:

659,000 pairs of woollen gloves and mitts;
4.7 million pairs of socks and stockings;
641,000 woollen underwear shirts;
580,000 woollen underwear drawers;
1.2 million cotton underwear shirts;
112,000 summer combinations;
911,000 sweaters and pullovers;
315,000 comforter caps; and
27,000 duffel coats.

No particulars are available of the orders placed for silk and rayon goods. Last August all raw silk stocks in the country were frozen and this material is no longer available for civilian consumption—goes mainly into parachutes.

The yardage of government contracts with the textile industry is impressive, the variety of goods produced is extensive.

Textiles are being produced for battle dress, gun covers, tents, cook's clothing, seamen's oilskin coats, blankets and hammocks, truck tarpaulins, tire fabrics, camouflage cloth and netting, gas masks, parachutes, parachute attachments, aircraft fabric, hundreds of items of clothing, shoe threads, and scores of other items.

The deliveries, too, are widespread. The textile mills serve not only the fighting forces of Canada, but those of the Empire in Britain, India, Australia, New Zealand and South Africa and several of our allies among the United Nations as well.

On the home front the manufacturers have had to work under greatly increased pressure to meet abnormally expanded civilian requirements.

Long ago the industry took up the slack in its idle equipment.

As the percentage of equipment available for production of civilian goods has lessened, it has become more and more difficult for the industry to maintain regularity of shipments in the domestic market.

Complicating factor is that war expenditures have greatly increased the spending power of the worker. Long-deferred buying has come out and the demand for many lines has taxed the ability of the industry to keep the market adequately supplied.

Certain items of production have had to be eliminated, notably those employing raw silk. But by and large the industry has not failed the home market.

Whether this will continue to be the case in the year ahead depends upon many factors. No let-up in the volume of government orders is expected. Restricted buying power through increased taxes may hold down civilian buying.

More important are questions of supply of raw materials, chemicals, manpower, price ceiling regulations, standardization and simplification, taxes.

Since last August the use of raw silk for other than military purposes has been prohibited. Wool and rayon yarns are limited.

Cotton supplies appear to be adequate; Canada being able to draw upon both Brazil and the United States.

Linen yarns are no longer available for civilian use. Nylon yarn, now being manufactured in Canada, is reserved for war purposes; it will not be available for the manufacture of hosiery.

There is little doubt at this time but that certain types of textile materials now available for civilian consumption will be considerably curtailed before the year is out.

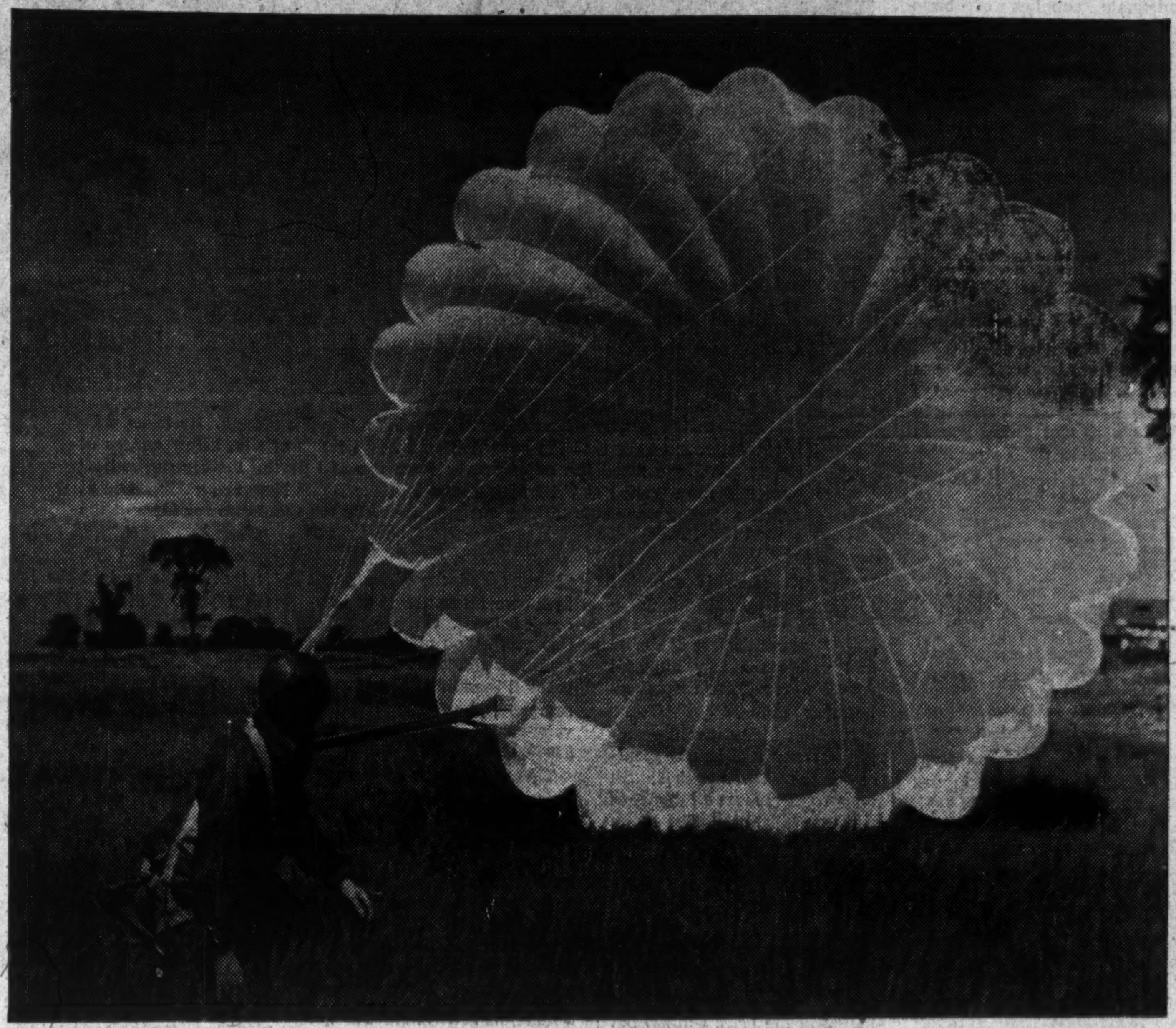
The textile production is classified as a restricted occupation and male labor is liable to be diverted to essential employment.

Under the Wartime Prices & Trade Board textile administration, simplification and standardization of ranges, colors, patterns and models for the civilian trade is being widely organized, along with an industry-wide programme of economic production and distribution which, while designed to meet an emergency, will have a far-reaching effect on operations for years to come.

All these factors have a bearing on the quantity and quality of textile goods available for civilian consumption in the months ahead.

With the increase in operations consequent upon the war demand, it was possible for manufacturers largely to absorb steadily increasing costs through lower overhead and administration charges. When the industry reached capacity this was no longer possible. Prices to the retailers were kept in check, and advances were of moderate proportions.

When the price ceiling came into effect last fall, the cotton goods companies came forward on their own initiative and offered to reduce the price of goods, on order, delivered or still to be ordered, to levels which would allow the retail price ceilings to be maintained.



Nylon and Silk Are Now the Flier's Life-belt

Rayon weavers voluntarily agreed to reduce their basic period prices by one third of the increase which had taken place between Feb. 1, 1940 and the basic period. Another voluntary movement along the same lines was made by Courtaulds in reducing the price of viscose yarns by 2 cents a pound, the reduction being applied to prices which had remained stationary since March, 1940. A subsidy was given to certain mills using imported Bemberg yarns.

Other branches of the industry co-operated as fully as possible in lowering their prices to the retailer so as to permit the latter to sell at or under the price ceiling.

Despite the very evident desire to co-operate, the situation now has reached a point where it is stated the price ceiling will have to be raised or subsidies granted. The primary cotton mills, for example, have been replacing retailers' stocks at a price said less than cost of manufacture. A like situation exists in other branches of the industry. Representations have been made to the Commodity Prices Stabilization Corp. for relief.

This state of affairs does not apply when the manufacturer is working on government orders. Where such business is undertaken the mills are supplied with wool, silk or other products at a price fixed by the Crown company set up to take over such supplies.

Though the industry faces many problems in keeping the domestic market adequately supplied with goods at or under the price ceiling, its main job now and for the duration is meeting demands of the armed forces. Its record along those lines has been outstanding among many notable wartime achievements by Canadian industry. If, as appears likely, the textile industry may not be in a position in the near future to meet all domestic demands, it will be because of the exigencies of the situation and through no fault of the manufacturers.

Textiles Hold Investment Rank

By ROBERT C. STARK

To Canada's textile industry war has brought capacity operations, much improved gross earnings and a tremendously increased tax bill that has pared net profits back to pre-war levels.

To the thousands of investors in textile shares dividend return has been very slightly increased, but the market price of their holdings has given a much more satisfactory performance than the ordinary run-of-the-market stock.

Covering the whole broad, varied field of textile production a tabulation of 27 textile companies shows the following record of net earnings before depreciation and taxes:

Net Earnings $000's	
1941	31,780
1940	23,905
1939	16,161

Thus, net earnings last year for these 27 firms were 33% better than in 1940 and a full 97% higher than in 1939. In the entire list, only four companies showed a decline in 1941 net earnings from 1940, in each case this being only a small decline. The four companies were Monarch Knitting, Celtic Knitting, Dominion Woollens and Hamilton Cotton.

The tremendous upsurge in taxes arising from these increased profits is shown for the same companies:

Tax Provision $000's	
1941	18,611
1940	11,122
1939	2,812

This shows 1941 taxes to have been 67% higher than in 1940 and 562% greater than in 1939. It will be noted that 1941 net earnings were $7.8 millions higher than 1940 but that taxes were up $7.4 millions, practically all of the increased earnings going to taxes. The comparison with 1939 is even more outstanding; 1941 net earnings were $15.6 millions better than 1939 but taxes were almost $15.8 millions higher.

Under the weight of this heavy tax burden, net profits available for shareholders have been able to do little better than hold their ground as shown in this table:

Net Profit $000's	
1941	8,218
1940	7,536
1939	8,118

Net profits for these 27 companies in 1941 were 9% better than in 1940 but only a meagre 1% higher than the 1939 showing. While only four companies showed 1941 net earnings below those of 1940 the record shows eleven companies with final net profits below 1940 figures.

One good example of what has happened to textile profits is afforded by Dominion Textile Co.:

	Net Earnings	Tax Provision	Net Profit
		$000's	
1941	11,108	8,000	1,546
1940	7,865	4,192	2,034
1939	4,516	831	2,214

The dividend return to textile shareholders has shown a similar narrow gain. Dividend payments in 1941 were up less than 1% over 1940 and 7% over 1939 as shown in this table:

Dividends Paid $000's	
1941	4,974
1940	4,934
1939	4,637

Where textile shareholders have fared best is in the market price for their securities. The Dominion Bureau of Statistics index of 68 industrial stocks has declined some 32% since outbreak of war. Over the same period, textile holders have seen the value of their shares increase by 19%.

That gain in market value is largely a tribute to the stability of earning power that the textile companies have been able to display in the face of increased costs and sharply varying demands. Few of these companies report their total sales volume but Penmans Ltd., important maker of woollen, cotton and silk knitted goods, is one of these. In 1941 Penmans had sales of a little over $8 millions from which it derived an operating revenue of $1.3 million after meeting production expenses. After bond interest, salaries, depreciation, taxes, etc., there was left a net profit of $347,582, or 4.3% of total sales. This compared with the 1940 record of a net profit of 4.9% of sales and the 1939 mark of 5.4%.

Protection of that narrow profit margin has been a real problem for management throughout the textile trade. It is being made harder by shortages of raw material that may affect civilian consumption this year.

To help guard against that supply problem most of the textiles have put considerably more money into inventory. The following tabulation for the 27 companies shows 1941 inventories up almost 10% over 1940 and 46% over 1939:

Inventories $000's	
1941	38,216
1940	34,757
1939	26,184

In many cases special reserves have been set up to minimize the influence of any sudden market fluctuation upsetting the value of inventories on hand. This reflects expansion both in quantity and price of material carried in inventory. Cotton, for instance, is selling at about 40% higher than a year ago. Some companies are also carrying large quantities of goods required for the operation of official price control measures.

Financing these increased inventories is reflected in the statements of most companies by an expansion in bank advances. Increases in current assets, however, have been more than sufficient to outweigh the gain in this liability with the result that most companies show a fairly appreciable gain in working capital. The 27-company tabulation shows 1941 working capital up 13% over 1940 and 19% over 1939 as follows:

Working Capital $000's	
1941	52,618
1940	46,607
1939	44,141

How the new taxes announced in the recent budget will affect the textile companies is not yet evident. One company, Mercury Mills Ltd., estimates that if the new rates had been applied on total 1941 earnings they would have required approximately $3,500 more than the actual $100,000 total paid. This would have left the company with a net profit of 78 cents a share instead of the 82 cents it really reported.

Other textile companies have not yet publicly estimated the possible effect of the new taxes as they do not yet definitely know what their tax status is. Many of these companies feel that for the purposes of excess profits taxation they should rank as members of a depressed industry and they have made application to the Board of Referees for tax relief on that ground. Consequently, many of their statements show only estimated taxes for 1940 and 1941, with actual totals awaiting final decision from the Board of Referees.

Beset by the many far-reaching problems of war economy Canada's great textile industry is finding of full value in its long years of experience.

Textile shares rank high in the favor of Canadian investors. Their wartime performance has been markedly better than the average. Gross profits have pushed higher but taxes have shot higher still.

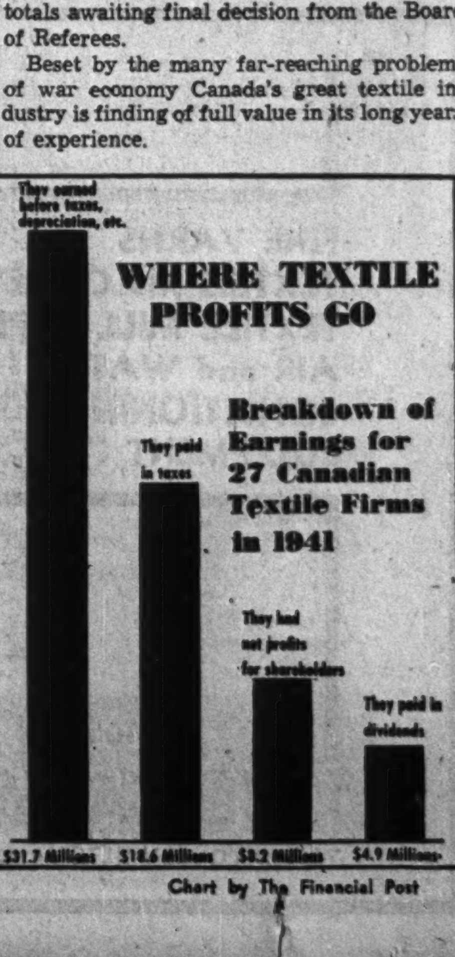
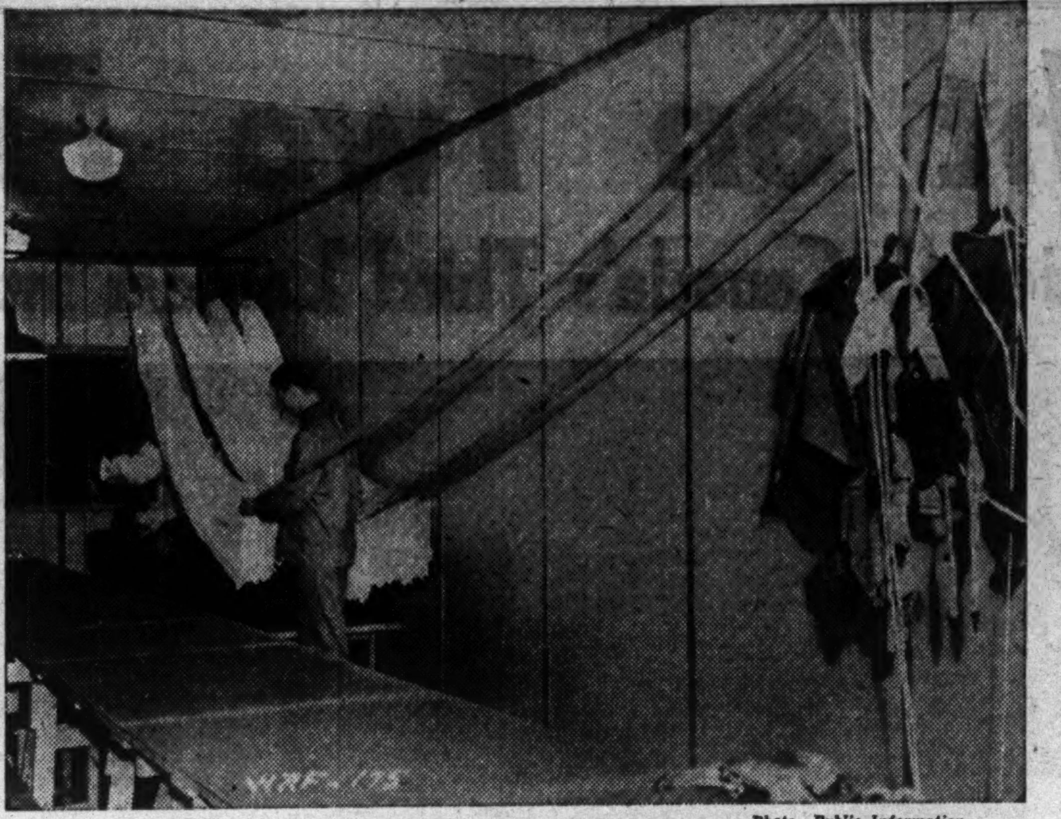


Chart by The Financial Post

Rayon Output Holds Peak

Synthetic Yarn Demand Exceeds Production



Photo—Public Information.

What the lifeboat is to the sailor the parachute is to the airman. He looks after it carefully, knowing that the condition of a few pounds of silk, a few ounces of strong cord, may mean the difference between life and death. Picture shows how parachutes are tended at the training school of the Royal Norwegian Air Force at Toronto. Today Canada is turning out parachutes by the thousands for fliers of the United Nations.

With the use of silk for civilian purposes prohibited, rayon has come into its own, and producers are doing their best to fill market requirements. Despite obstacles, the record rayon output of 1940 was equalled in 1941. It is hoped the same level can be maintained in the present year.

The rayon industry faces many problems, but the greatest is the difficulty in obtaining adequate supplies of basic chemicals. There is no shortage of woodpulp and cotton linters. Labor supply is only fair. Standardization and simplification is being adopted throughout the industry. While helpful, such practices will not overcome the shortage of chemicals nor increase the supply of yarns.

Well Above Average

Last year rayon fabric output, including spun rayon and rayon-cotton materials, which amounted to 25% or 30% of the total, is estimated at 70.4 million yards. This represented an increase of 44.7% above the average annual production in the preceding three years.

Imports of rayon goods last year totalled 11.7 million yards, against an average of less than 8 million yards yearly in 1938-1940.

Total supply available to the Canadian market in 1941 was 82.1 million yards, an increase of 45.1% above the annual average of the three previous years.

Peak Consumption

Consumption of rayon yarns in Canada touched a new peak of 26.3 million pounds in 1941, according to the Manual of the Textile Industry in Canada, an increase of 23.1% above the 1940 total of 21.3 million lb., 39.3% above the 1939 total, and 70.4% above the 1938 figure.

In the primary rayon field, Courtaulds was formerly the only spinner of yarn for sale in Canada. Heavy purchases in the first quarter after the outbreak of war reduced the September inventory of 2.5 million pounds to 400,000 pounds by the end of 1939. Increased costs brought a price increase of 5 cents a pound in viscose yarn at the beginning of 1939 and a further advance of 2 cents in March 1940.

Acetate yarn is produced in Canada by Canadian Celanese Ltd. and until quite recently, Celanese used all its yarn in its own weaving and knitting plants.

After the freezing of silk in Canada in August, 1941, Canadian Celanese Ltd. agreed to release 10% of its acetate yarn production for the use of other Canadian mills.

Supply Situation Tight

In spite of the heavier Canadian production last year, the supply situation in Canada is tight. This is largely due to the fact that since last November, 15% of Courtaulds production of yarns has gone to the full fashioned hosiery mills. Previously only a few thousand pounds a year were sold for this purpose.

Of Courtaulds total output, 72% now goes to mills weaving fabrics; 22% to knitting mills, which include full-fashioned hosiery mills; and the balance of 5% goes into miscellaneous channels.

The export of yarn from the United Kingdom is expected to continue at approximately the same rate as last year if shipping facilities are available and unless the raw material situation for British spinners becomes worse.

It is not likely that the supply of rayon will be any greater this year. Whether there will be enough to meet all demands remains to be seen. The rayon administrator has banned new designs or patterns for lower-priced fabrics. At the same time Courtaulds, because of greater volume, reduced the price of its yarns by 2 cents a pound at the beginning of February. All these factors help maintain the price ceiling, but they do not add to the volume of production.

Belding-Corticelli

Improvement in operations and earnings of Belding-Corticelli Ltd. is reflected in the fact that during the year ended Nov. 30, 1941, dividends on the common stock totalled $6 a share. This is the largest annual dividend paid since $7 was disbursed in 1932.

Despite the sharp improvement in operations last year, the Belding-Corticelli faces increasing difficulties in respect to raw materials. The company manufactures silk threads, ribbon and allied products, as well as hosiery, knitting yarns and silk fabrics.

In the annual report for 1941, the president, W. P. MacDougall, referred to the difficulty in securing supplies in sufficient quantities. He added that it is expected the new Canadian nylon plant will be delivering yarn in 1942 "which will permit our offering nylon hosiery in larger quantities to the women of Canada." This expectation is not likely to materialize, as nylon is now being commandeered by the government for the manufacture of parachutes. None of the output of the new nylon plant at Kingston will be available for civilian consumption.

Supplies a Problem

Last August all raw silk was "frozen" and the government took over all contracts and unopened bales. On account of this production of goods made from raw silk was curtailed for the first time in its history. The company, however, has developed attractive-looking goods from synthetic yarns.

There is no lack of demand. Sales and output for this year, however, will depend upon the success of the management in securing adequate supplies. In so far as goods manufactured for civilian consumption are concerned, the situation does not appear too promising. On the other hand, the company is making a considerable volume of articles for war use for which its mills are specially equipped to produce.

At the end of last year the company carried inventories, less reserve, at $746,711. This was the largest figure reported in many years and is almost double the normal inventory. Belding-Corticelli is in a strong position financially, with working capital at the highest level in many years.

Bruck Silk

Operations of Bruck Silk Mills, manufacturers of artificial silk fabrics, have been on a slightly better basis this year but the main problem of the management is how to secure adequate raw materials.

Sales for the fiscal year ended October 31 last showed an increase of about 75% over the previous year and were the highest in the company's history. This necessitated operation of the plants at full capacity throughout the year.

The fact that this scale of operations has not only been maintained but slightly improved during the current year, indicates clearly the volume of production going through the company's plant. Civilian business has declined but this has been offset by war contracts. The initial war contracts were received by the company in 1941 and for the current year a much larger percentage of the output will be for war purposes than was the case in 1941.

In the prewar years Bruck Silk Mills developed a substantial export trade with the West Indies, South America, New Zealand, Australia and England. Because of war conditions much of this trade has had to be abandoned though the president reports export business last year was satisfactory despite the increasing difficulties.

Resume Dividends

Substantially improved earnings were shown in 1941, reflecting the higher sales and benefits resulting from plant improvements and new efficiency introduced in recent years. These tended to offset higher costs of labor and raw materials. The betterment in earnings — $2.14 a share as against 14 cents a share the year before — resulted in the declaration of a dividend of 10 cents a share on the common stock. This was the first payment to be made since payment of a like amount on April 15, 1937.

One point of strength in viewing the company's outlook is that at the end of the last fiscal year, Oct. 31, 1941, inventories had a value of better than $1 million, or twice that normally carried. While there was no great change in the inventory of undyed fabrics and dyed fabrics, raw materials and goods in process and supplies were substantially increased.

Can. Celanese

Operations of Canadian Celanese Ltd. for the first quarter of 1942 showed marked improvement over the corresponding period of 1941.

For several years past production at the Drummondville plant has been increasing steadily. There has been no letdown in demand for Celanese products and with the outbreak of the war, sales were greatly stimulated. Upon the prohibition of the use of raw silk and the scarcity of other natural fibres, sales of Celanese have been limited only by the capacity of the plant.

Considerable sums have been spent on further installation of equipment at the Drummondville plant. Recently the company was given permission to effect a substantial expansion of its productive facilities. A large volume of essential products, for both war and civilian use will be provided by the additional facilities.

Add New Lines

Though Celanese was developed primarily to meet consumer demand, new uses have been devised for the use of Celanese in the manufacture of parachutes, tapes, balloon cloth, uniforms, electrical installations, etc. Further research work is being pushed to develop other uses to meet military and civilian requirements.

Last year gross sales and earnings were of record proportions. Operating profit of $4.4 millions was double the prewar level and $1.5 million greater than in 1940. Earnings on the common stock reached $3.98 per share, the second highest level reported in the history of the company.

Ontario Silknit

So far this year Ontario Silknit Ltd. has maintained sales and profits at the 1941 level. Silknit and its subsidiaries manufacture lingerie, dresses and other rayon products. Subsidiaries operate in England and Australia.

During 1941 there was an improvement in the net earnings from Canadian operations, even after higher taxes, but this was offset by reduced earnings of the English and Australian subsidiaries so that combined net earnings closely approximated those of 1940. During the year, working capital was strengthened to more than $1 million.

Riverside Silk

As a prewar manufacturer of silk, rayon and nylon yarns used in the manufacture of ladies' underwear and hosiery, Riverside Silk Mills Ltd. has had to carry out a substantial readjustment of its production. Curtailment of silk supplies and diverting of other products to more direct war needs has meant the blending in of substitute yarns.

How successfully the company has been able to do this may be gauged by the fact that 1941 net profits increased to $2.47 a class A share from $1.78 in 1940. Liquid position was also substantially improved during the year with working capital advancing to $519,859 from $433,521.

Supersilk Hosiery

Fast moving changes in the silk supply situation have had a material influence on the operations of Supersilk Hosiery Mills Ltd. During 1941 there were several drastic steps in this regard, the first coming in March when a government decree required a 25% reduction in the content of silk in full-fashioned hosiery. This restriction was increased to 40% in June, and early in August the entire reserve of raw silk, except that in process, was seized by the government.

Supersilk, however, was able to finish the year on a satisfactory basis due to the fact that it had a substantial supply of raw silk in process at the time of the seizure.

The fact that pure silk is now not available has necessitated the substitution of other materials. Due to restrictions on supplies of such materials, it has been necessary to curtail operations to about 70% of mill capacity.

With these conditions in effect, officials regard the future as uncertain.

York Knitting

Sales of York Knitting Mills Ltd. in 1941 were 4.6% higher than in 1940. So far this year business volume has been running about even with a year ago. Officials do not anticipate that sales volume for 1942 will be higher than 1941. Demands for finished goods continues high but it is not believed that the supply of labor or materials will be sufficiently great to permit meeting them.

The elimination of pure silk has meant radical changes in the construction and design of full-fashioned hosiery. However, York Knitting had anticipated this condition to some extent and had already taken steps when the situation finally materialized.

York Knitting owns five plants, two in Toronto, one in Hamilton and two in Woodstock, Ont. It is engaged in spinning cotton, woollen and worsted yarn and the manufacture of hosiery, underwear and other products. In 1937 the Zimmerknit Co. of Hamilton was consolidated with York Knitting. Net profit in 1941 declined to $134,935 from $171,467.

A substantial portion of plant capacity is engaged in manufacture of yarns, hosiery, underwear and sweaters for war purposes.

Canadian Women Use Less Hosiery

Canadian women used fewer pairs of hosiery last year. Industry statistics show the average annual consumption in 1941 was 7.9 pairs. This contrasts with an annual average of 8.4 pairs in 1940 and 1939. But Canadian women used more stockings last year than they did in prewar years indicating, in part, increasing buying power.

Production of full fashioned hosiery last year totalled 2,924 thousand dozen pairs, a drop of 284 thousand dozen pairs from the 1939 peak.

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Cotton Operators Maintain Record Pace

More of Output for War; Civilian Supplies a Problem

Judged by the number of bales of raw cotton opened, there has been no let down in the scale of operations in primary cotton mills of Canada. Ever since the war started these plants have been working day and night to care for the urgent and immediate needs of the armed forces, and for substantially increased civilian consumption.

Production has increased month by month until today it is considerably higher than ever before in the history of the industry. This applies not only to standard lines, but to other lines as well for the industry has been called upon to produce millions of yards of special materials needed directly and indirectly for war purposes.

The strain on productive facilities has been intensified as cotton has been called upon to substitute for other materials no longer available or limited as to quantity.

Wartime needs have been met in full, as well as civilian requirements, though in recent months it has become increasingly difficult for the mills to maintain regularity of supplies.

Problems Are Increasing

Prospects are the primary cotton industry will continue on an all-out basis for some time to come, depending, of course, upon the availability of labor and raw materials. Man power regulations have not been without their effect. Though female help is being used to an increasing extent, there are certain types of work requiring mechanical skill and strength for which female workers are not suited.

In respect to raw materials the situation is more satisfactory. Heavy supplies of raw cotton from Brazil in 1941 and an export subsidy on raw cotton from the United States, combined during the past year to assure adequate supplies for Canadian needs at a cost which rendered possible the maintenance of the price ceiling.

While it is not anticipated there will be a serious shortage in cotton over the months immediately ahead, such as in the case of wool and jute, there is the possibility that all civilian demands will not be filled, at least as promptly as in the past.

The position of the civilian consumer in respect to cotton supplies can only be appreciated by examining the demands created by war.

Last year Canadian cotton mills produced nearly 303 million yards of cotton fabrics. This was an increase of nearly 25% above average annual production of 243 million yards in the years 1938-40. Imports of cotton fabrics amounted to 176 million yards, as against the annual average of 118 million yards in the preceding three year period.

The total domestic production and imports in 1941 was around 480 million yards, an increase of 32.5% above the average total quantity available in 1938-1940.

While it is impossible to obtain precise figures, it is estimated about one third of this yardage was used directly in the war effort. Another third was used indirectly, with the balance available for civilian consumption.

At present it is estimated over 70% of the cotton fabrics available are going directly and indirectly to the war effort. By the end of this year it is probable that even less than the 30% now available will be distributed to civilian channels.

Receive Big Orders

The immensity of the wartime job taken on by the primary cotton textile manufacturers is to be seen in the direct orders received from the Department of Munitions and Supply. The first of such orders, placed in October, 1941, called for 12,962,000 yards of material, including 9,360,000 yards of drill, 2,450,000 yards of shirting and 1,152,000 yards of other classes of cotton fabrics.

A second order called for 7,105,000 yards of drill, 1,459,000 yards of shirting, 745,000 yards of shorts cloth, 650,000 yards of duck for cook's clothing, 585,000 yards of C. W. A. A. F. utility cloth, and 426,000 yards of other classes of goods.

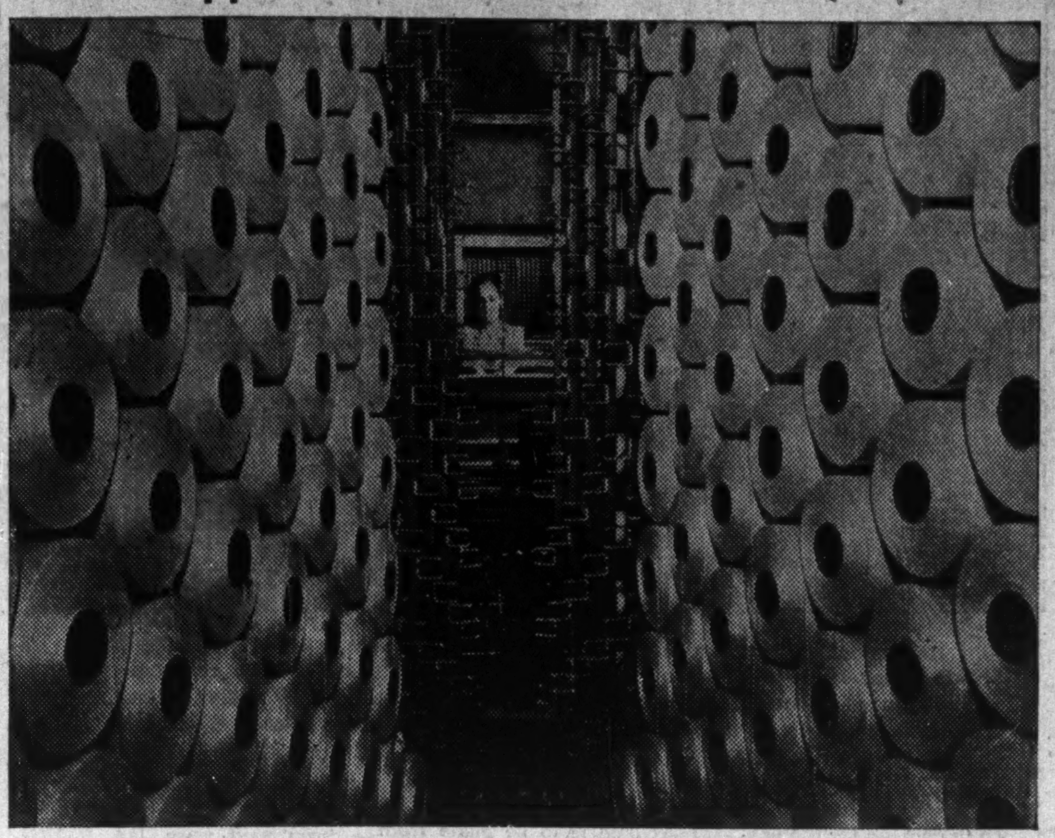
Deliveries on these contracts started in Oct., 1941, and will continue until Sept., 1942, when all shipments totalling 23,932,000 yards must be completed.

These two major orders do not by any means cover all the government business. Previously many contracts had been received direct from various departments and to the end of last year deliveries had totalled well in excess of 30 million yards. There has been a huge volume of business placed with converters and others who secure their materials from the primary operators.

With such a large percentage of manufacturing equipment diverted to the production of war materials, the industry has nevertheless been able to make ample provision for civilian needs. In the months ahead, however, the problem facing the manufacturers is not only how to maintain deliveries but also how to provide the necessary goods at prices under the price ceiling.

In their annual reports for the past year, practically all of the operators spoke of the difficulty in providing civilian supplies under the present price ceiling. Replacements, it is claimed, were being made at a loss and it would be necessary for some arrangement to be made with the Commodity Prices Stabilization Corp. to secure an adjustment in the cost of raw cotton, all of which must be imported.

Even with a price adjustment there is no absolute assurance the public will get the variety and quantity of goods it demands. The first job of the industry is to meet government requirements. But with the equipment, labor and materials available, after fulfilling that task, the Canadian public should not be unduly inconvenienced by the extraordinary conditions which the industry faces today.



Photo—Public Information.

Thousands of miles of thread are contained in these big spools in the warping creel of Montreal Cottons Ltd. Fed through the complicated machinery of a textile plant, the strands of thread are brought together to form the warp, or foundation, of fabric, which stretches across on the loom, and through which the weft is woven. Canada's textile concerns are running at capacity to keep up with wartime demands.

Can. Cottons

Were the equipment available, Canadian Cottons Ltd. could substantially increase its sales.

Current demand for the company's products, for both war and civilian uses, is considerably in excess of the mills' ability to produce.

According to R. G. Tolmie, president, sales are now being made at lower than current replacement costs. Negotiations are being carried on with the Commodity Prices Stabilization Corp. with a view to securing an adjustment of the cost of raw cotton.

Everything possible is being done to cope with the shortages of materials for secondary production arising from wartime diversion. However, serious difficulty is being experienced in maintaining even a normal volume of production because of the labor shortage.

As far as is practicable, Canadian Cottons Ltd. has adopted a policy of employing women to fill positions vacated by men. There are, the company reports, many classes of work, some of a highly mechanical nature, for which the employment of males is essential.

Another factor affecting production is the difficulty of securing normal machinery replacements.

Big Earning Power

Capacity operations have brought a substantial increase in earning power. In the year ended March 31 last, gross income of $3¼ millions was nearly 50% higher than the preceding year. While the company had to provide for $2.1 millions of income taxes, net profits available on the common stock aggregated $14.30 a share, compared with $12.23 the year before. Financially the position of the company underwent a further improvement with net working capital now exceeding $7 millions, the highest figure reported in many years.

During the past year the company took out supplementary letters patent enabling it to redeem or purchase in the open market preferred shares for cancellation at prices not exceeding $120 a share. Under this redemption plan, 3,209 preferred shares were purchased in March, 1942, at a premium of $59,404.

Cosmos Imperial

With modern warfare bringing a great extension of the use of industrial cotton fabrics, Cosmos Imperial Mills has heavy demands for its products. During the past year these have been so great that they could not be fully met by the production. This condition has been generally true of textile firms capable of weaving heavy cotton cloth.

The principal manufactures of Cosmos Imperial Mills are duck cotton and canvas fabrics, mainly of the heavier type used as covering for military and naval weapons, etc. Two plants are operated, at Hamilton, Ontario, and Yarmouth, N.S.

Despite high personnel turnover and difficulties in training new operators, the Cosmos mills last year substantially increased production. Net profits improved to $2.30 from $1.94 while dividends paid were increased to $1.35 per share from $1.20. Working capital improved some $240,000 to more than $1.3 millions.

Hamilton Cotton

Earnings position of Hamilton Cotton Co. during 1941 was maintained near the 1940 level with higher production and sales being offset by higher charges.

Business is understood to be continuing at a satisfactory rate with no shortage yet encountered in cotton, the basic raw material. However, the supply of rubber thread is now cut off which means the loss of a line of elastic fabric.

The company manufactures a wide diversity of products such as cotton cloth, webbing for straps, yarn, twine, different cordage products such as clothesline and sash cords.

In addition to its spinning, weaving and manufacturing activities, it does its own dyeing and bleaching.

Indicative of improved earnings was the payment of an extra $2 per share on the preferred stock April 1 to clear off arrears. An initial dividend on the common stock of 10 cents per share was paid July 2.

Dom. Textile

Capacity operations are the rule at the plants of the Dominion Textile Co., largest primary cotton operator in Canada.

A feature of operations for some time has been production for government orders. It is difficult to estimate the proportion of government orders, as a great deal of the output is indirectly processed into goods for the war account. Direct business for the government accounts for more than a third of total output.

As an instance, the Drummondville plant recently started production of yarns for parachute strapping and set up necessary equipment to produce fire hose which will be shipped to England.

At present the company's war production is about 11 times ahead of the mark set in 1914-18, while around 70% of the total output goes directly or indirectly for war and essential purposes.

Since the outbreak of war, it is estimated the seven plants of Dominion Textile Co. have turned out the following impressive list of materials on government account:

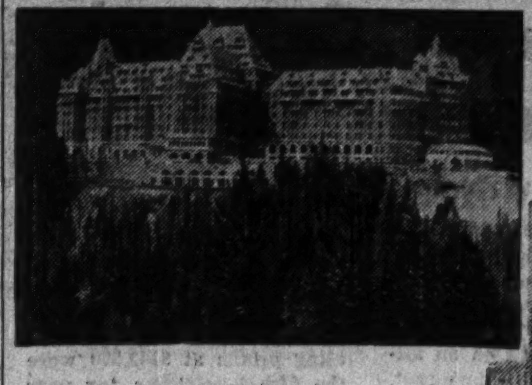
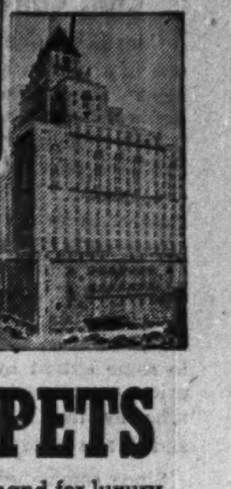
2,750,000	yds. of tent duck;
4,300,000	yds. of kit bag duck;*
2,000,000	yds. of duck for bandoliers;
500,000	yds. of duck for uniform pockets and linings;
300,000	yds. of similar duck for white naval uniforms;
600,000	yds. of special drill ordered by England;
2,250,000	yds. of drill for Canadian uniforms and linings;
650,000	yds. of woollen shirting;
2,250,000	lb. of yarn for webbing provided for Canadian army;
4,500,000	lb. of a similar yarn shipped to England;
500,000	yds. of ground sheet fabric;
300,000	yds. of silk waste fabric for powder bags;
950,000	towels;
1,500,000	yds. of sheeting;‡
9,000,000	yds. of drill for uniforms;
2,000,000	yds. of drill for officers' uniforms;
800,000	yds. of drill shirting;
2,000,000	yds. miscellaneous materials.

*80% shipped to England.

‡30% for the British Admiralty.

Operations under the price ceilings find goods being sold

(Continued on page 16, col. 1)

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TORONTO MONTREAL VANCOUVER

RAYON

In Wartime

War Conditions in England have necessitated classifying the manufacture of Rayon as an essential industry.

We already know that in the United States a considerable amount of rayon is being used for war purposes. These needs are increasing rapidly. Rayon cords are going into tires for trucks, bombers and fighter planes. Rayon is also used to make protective uniforms for paratroops and self-sealing gasoline tanks and as well it is being used for equipment parachutes.

We all know that here in Canada, rayon has been doing an important job of providing an adequate supply of rayon merchandise to a public that has been faced with shortages of other fibres. And the rayon industry, as long as it is able, will continue to do all in its power to help provide for civilian needs.

However, the facts noted in England and the United States, and developments now taking shape, point to the Canadian rayon industry being called upon to play a similar role in our own country.

Courtaulds (CANADA) LIMITED

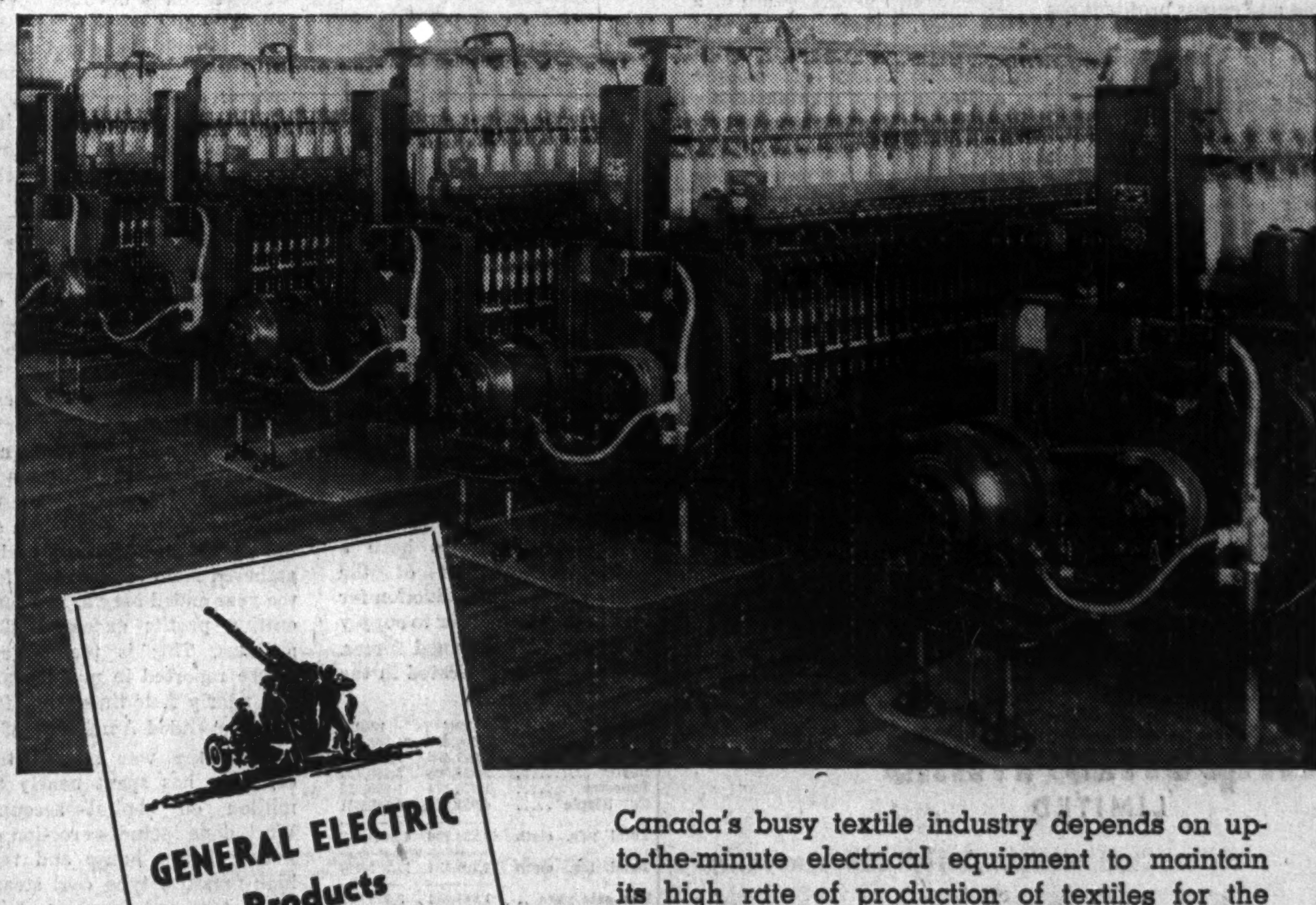
Producers of Rayon Yarns

Sales Offices: MONTREAL — TORONTO

IN TEXTILE MILLS...

GENERAL ELECTRIC Equipment

Speeds Up Production... Reduces Manufacturing Costs... Improves Mill Operation



GENERAL ELECTRIC Products

Anti-aircraft gun mounts; anti-aircraft searchlights; marine generators; instruments, generators and other equipment for aircraft; plastics, wire and cable, wiring devices and lamps for the navy, army and air force. In addition, a complete line of equipment for industries engaged in the production of vital war materials.

Canada's busy textile industry depends on up-to-the-minute electrical equipment to maintain its high rate of production of textiles for the armed services. A large proportion of this electrical equipment — motors, control, lighting equipment, capacitors for power factor correction, wiring materials — is manufactured by Canadian General Electric.

42-ES-7

MADE IN CANADA

CANADIAN GENERAL ELECTRIC CO. LIMITED

Sydney • Halifax • St. John • Quebec • Sherbrooke • Montreal • Ottawa • Toronto • New Liskeard • Hamilton • Sudbury • London
Windsor • Fort William • Winnipeg • Regina • Saskatoon • Lethbridge • Edmonton • Calgary • Trail • Kelowna • Vancouver • Victoria

Converter Companies Tackle New War Jobs

Can. Converters

Canadian Converters Co., one of the principal Canadian firms manufacturing shirts, dresses, underwear, and a wide variety of wearing apparel, has been operating on an all-out basis for some time past. Subject to an adequate supply of labor and raw materials, the company appears assured of capacity operations throughout the current year. Future earnings, however, may be affected to some extent by the ceiling prices established from time to time by the Wartime Prices and Trade Board.

Since commencement of the war, the position of this company has undergone a marked change for the better. Though no particulars of sales are published, some idea of the progress may be gained from the earnings reported.

Following the peak years of 1926 to 1929, earnings on the company's stock fell off sharply, reaching a low point in 1939 when there was a deficit of $2.20 a share. In 1940 and 1941 fiscal years, however, earnings improved substantially. Net profit in 1942 totalled $4.01 a share, as against $3.28 in 1941.

Tooke Bros.

Tooke Brothers Ltd., textile converters, is experiencing increased demand for shirts, collars, pyjamas, underwear and other products produced as a result of the increased purchasing power. In addition, operations have been influenced by government work.

Sales for the current year, dependent upon the availability of supplies, etc., should compare satisfactorily with those for 1941. Last year operating profits at $142,570 were the fifth largest for any year in the company's 30-year history. Net profits did not keep pace, due to much heavier taxation, so that earnings of $4.41 a share on the preferred stock were still under the $7 required.

Strengthen Balance Sheet

While revenues and working capital have improved, no action has yet been taken by the management in respect to dividends on the preferred stock which are in arrears since June 30, 1931. To the end of last year these arrears amounted to $73.50 a share.

The balance of the outstanding 7% first mortgage bonds fell due in April 1 last and was paid off. The bond issue originally amounted to $350,000 in 1922. Through operation of the sinking fund the amount outstanding was reduced to $110,300 at the end of 1941.

Woods Mfg.

Plants of Woods Mfg. Co. are being operated to capacity, a condition which prevailed throughout 1941.

Quantity production in all departments has shown a consistent increase, due principally to the large demand for war requirements.

Photo—Public Information.

Innumerable are the uses which textiles serve in war. First thing troops do when they move into "harbor" after a day's attack is to cover their mechanized vehicles with camouflage sheets, to prevent them being spotted by enemy aircraft. Here are men of a Quebec regiment draping a universal gun carrier so it will look, from the air, like the grass it is parked on.

There is no appearance of a letdown in demand for the products of the company which cover jute and cotton cloth bags, burlap, tents, tarpaulins, etc.

Anticipating possible difficulties in supplies of raw materials, the company substantially increased its inventories last year. The investment in jute was greatly increased because of critical war conditions, while Brazilian cotton inventories were enlarged on account of shipping difficulties. Last February the president stated merchandise to be made from the excess of raw materials required during 1941 was practically all sold.

Wartime operating conditions had a marked influence for the better on earnings and financial position. Since the outbreak of the war, working capital has moved up from around $900,000 to over $1.5 millions.

Funded debt has been reduced and in 1941, for the first time in many years, the preferred dividend was fully earned.

No preferred dividends have been paid since Jan. 2, 1931, and arrears at the end of 1941 totalled $77 a share. The management has given no indication of early plans with respect to arrears.

Recognized Leaders in the Canadian Trade for Seventy-two Years

"Pattinson Woollens" are known and accepted for their high standard of quality that is constantly dependable — from year to year. Our mills at Preston are commonly recognized as modern and well equipped. Uniform weaving, superior finish, up-to-date patterns and colours as well as the use of quality yarns are features of "Pattinson Woollens".

Manufacturers of

MEN'S Overcoatings Topcoatings Tweed Suitings Mackinaws
LADIES' Cloakings Blanket Cloths Polos Tweeds

GEO. PATTINSON & CO.
LIMITED
PRESTON *Established 1870* ONTARIO

Canada's Textile Plants Work for Victory

"One of the first essentials for carrying on war to a successful conclusion is the possession of a live and efficient textile industry."

So states Major Douglas Hallam, secretary of the Primary Textile Institute, who points out that soldiers, sailors and airmen have to be properly clothed for the job they have to do.

"No one," he says, "can imagine men rattling around in steel tanks in briefs or scanties, naval men standing watches in winter weather in the North Atlantic in silk socks and shorts, infantry men resisting the bad effect of rain and mud without being clothed in good wool serge, or the same infantry men not clothed in light cotton garments when on service in tropical countries."

Apart from their use in clothing, textiles are used in war in innumerable ways, for parachutes, for part of the inner mechanism of shells, for powder bags for big and little guns used by artillerymen, for anti-gas equipment, for gas masks, for camouflage nets, for tarpaulins and tents, blankets and bedding, for web equipment, for scores of other things.

Canada's textile industry, in addition to supplying the needs of our own fighting men, has produced socks and web equipment for South African troops and web equipment and cotton duck for use in England, Australia and New Zealand.

Cotton Plants Hold Pace

(Continued from page 15)

at manufacturers' prices which bear little relation to current values of raw materials and other items, according to G. Blair Gordon, president. This creates a problem which will have to be faced and solved in the current fiscal year, he adds. As more and more capacity is diverted to supplying essential needs, there is an ever-increasing shortage of goods for civilian purposes.

The raw cotton inventory position and purchase commitments of the company are safeguarded to some extent. Owing to frozen ceiling prices for goods, together with special subsidized prices for American raw cotton, the company cannot use the cotton futures market effectively to hedge its very extensive long position, the president states.

In the year ended March 31, last, the company showed an operating profit of $11.2 millions, as against less than $8 millions the year before. All of this increase was wiped out by income and excess profits taxes which at $8 millions were double the year before. This reduced earnings on the common stock from $7.03 to $5.22 a share.

The 1942 financial statement contains a number of items of interest to the shareholders. The sharp increase in marketable securities to $7.2 millions is mainly as a result of Victory Loan subscriptions.

A new contingent liability of $2.8 millions represents a guarantee of bank loans of subsidiary companies. This arises very largely out of operations of a raw cotton buying subsidiary in the United States which has required funds far in excess of borrowing powers based on its small capitalization.

Inventories of nearly $7 millions, bought through the company's own resources, reflect large quantities of gray goods required for the operation of government price control measures. In addition the company is carrying heavy stocks of raw cotton for its own account against government requirements.

The basic output of the company's mills during the year ended March 31, 1942, was 15.5% greater than the previous 12 months' production. Over 50% of the entire basic production was disposed of in primary form, namely, yarn and gray cloth. The balance was moved through the company's converting mills where, supplemented by purchases of gray fabrics from other sources, total production yardage of converted goods was 48.5% higher than the preceding year.

The effect of concentrating a large part of the company's manufacturing capacity on yarns and cloth for war purposes which generally are of a heavier type than the regular production, has been to put a particularly big load on the earlier stages of manufacturing operations where the raw cotton is treated in bulk. Machinery has been run steadily day and night with little or no opportunity for repairs. How this will affect operations during the current year is yet unknown but it is of interest that it is becoming increasingly difficult for the operators to secure new equipment or replacements.

Montreal Cottons

Montreal Cottons Ltd.'s production is limited only by the extent of its equipment and supply of materials. Operations have been at capacity for many months and providing labor and materials are available, there should be no change during the current year.

Just prior to the war and during the early months of the war, the company spent large sums on extending and improving its manufacturing facilities. Consequently, it was in an excellent position to meet wartime demands.

From 1938 to 1941, manufacturing profits increased from $642,000 to $2.4 millions. Though income tax payments, which have risen nearly 24 times, have absorbed a large share of increased operating revenues, earnings on the common stock over this period have jumped from $2.06 to $10.16 a share.

Last year, tremendous quantities of goods was produced for war purposes, including millions of yards of cotton drill, anti-gas cloth and fabrics for the aircraft industry.

The company reports that wage rates were up 27% from prewar days, earnings per employee were 41% higher and the total wage bill increased by 93%.

The trend of operations this year depends largely upon the raw material situation. The latter is full of uncertainties. The situation must inevitably become serious as the war continues, and, according to W. G. E. Aird, managing director of the company, efforts must be directed to making the best possible use of the materials available. For example, production for civilian uses must be cut sharply in order to meet the demands of the armed forces.

Already there has been a drastic curtailment of the yarns and cloths production for civilian uses, in order to supply demands of the armed forces. This is clearly indicated in the following table:

	1941	1940
Cotton	31,600,806	31,766,497
Cotton & Rayon	1,077,498	1,169,535
Rayon	3,829,385	3,768,118
Tapestry	1,776,374	1,360,552
Cut Staple	4,951,923	4,340,841
Total yds. cloth	43,235,936	42,405,543
Total lbs. cloth	12,791,834	11,395,046
Lbs. sale yarn ..	1,944,484	3,255,642

Switch of production from civilian to military use was reflected in the sale of yarn business which had to be cut down from 3¼ million lb. in 1940 to less than 2 million lb. in 1941.

Heavy Deliveries

Since the war began, the company has made approximately 18 million yards of cloth for the Department of Munitions and Supply. This represents in weight over 7 million lb. of cloth or almost 8½ million lb. of raw cotton.

Loom hours run in 1941 were 80% ahead of the figures for 1938 and represented a 45% increase over those of 1939, and 9% over those of 1940.

Like other primary cotton textile operators, Montreal Cottons Ltd. is finding difficulty in producing materials to replace those passing into consumer hands and still be able to sell them under the price ceiling. It is suggested the Commodity Prices Stabilization Corp. may have to give some assistance in regard to this matter.

N. S. Textiles

Operations of the Nova Scotia Textiles Ltd., of Windsor, N.S., have been curtailed somewhat owing to the difficulty in securing certain types of yarns. For some time the company was operating day and night shifts but in recent weeks the night shift has been eliminated.

The company has no government orders on its books — at least, direct contracts. Output is practically all for civilian consumption and is marketed throughout the country under the company's own trade brands and those of private distributors.

Production is devoted largely to a wide variety of knitted goods, in both cotton and woollen materials, for men and women. No rayon is handled.

There is no direct public investment interest in this enterprise, the stock being privately held.

Wabasso Cotton

Wabasso Cotton Co., one of the major manufacturers of cotton yarns, fine cotton goods and artificial silk products in Canada, is operating on a capacity basis.

Comparatively little information on operations is made available by this company to its shareholders. Some idea of the growth in business may be gathered from the fact that for the year ended May 2, 1942, operating profits exceeded $2.9 millions. This is the largest figure reported in many years and nearly four times that for the year ended April 29, 1939.

Since the war started the company has spent nearly $1 million on capital account. Work done includes erection of a new boiler house and two high-pressure type coal steam generators and supplementary equipment. This was made necessary as surplus electric energy is no longer available for steam production.

Improvement in operations and earning power is clearly reflected in the financial position. Since the war started the bonded debt of the company has been reduced by $525,000, while working capital has increased by nearly $1 million. In March, 1940, the common stock was placed on a $2 annual basis, compared with the $1.50 rate previously prevailing. Late last fall an extra dividend of 50 cents a share was declared, aggregate payments for the year ended May 2, 1942, amounting to $3 a share.

COSMOS Imperial Mills
LIMITED

Manufacturers
INDUSTRIAL COTTON FABRICS
Made to Specification
WIDE, SAIL AND OUNCE DUCK

Head Office:
HAMILTON, ONTARIO
Mills:
YARMOUTH, N.S. - HAMILTON, ONT.

Selling Agents:
J. Spencer Turner Company, Ltd.
HAMILTON, ONTARIO

An Integral Part of Canada's Textile Industry

For nearly sixty years, Canadian Cottons Limited has played an integral part in Canada's textile industry. It operates seven mills — three in New Brunswick and four in Ontario.

Employing 3,500 workers its annual payroll, its purchases of supplies and equipment, its contribution in freight and in taxes, are an important factor in community and national stability.

Evidencing the company's facilities to serve, with the outbreak of war it was able to meet swift demands for products made difficult to obtain from foreign sources.

Today's civilian requirements have been well maintained and are being met as fully as possible after first call from government orders for war necessities.

Experienced company personnel and the most modern and complete mill equipment combine to produce products of highest quality and economy.

Manufacturers of

Awning Fabrics
Bedford Cords and Whipcords
Blankets (Cotton, Cotton & Wool)
Cotton Tweeds and Pantings
Cottonades
Covert Cloths
Denims
Doeskin and Suede
Flannelettes, Flannels
Napped Interlinings
Napped Sheetings & Silence Cloths
Dress Fabrics
Rayon & Spun Rayon Dress Fabrics
Rayon Linings
Rayon Taffetas & Satins
Shirtings, Chambrays and Suitings
Tickings
Yarns of all Descriptions

BRANDED LINES
(Registered)

"ACA" Ticking
"Kingcot" Denim
"Kingcof" Blankets (flannelette)
"Kingswade" Fabrics
"Nepah'win" Blankets (Indian)
"Woolcot" Blankets (Part Wool)

CANADIAN COTTONS LIMITED

Completely Equipped Mills at Marysville, Milltown, Saint John, New Brunswick; Cornwall (Three Mills) and Hamilton, Ontario

HEAD OFFICE: 760 Victoria Square, MONTREAL, QUE.

SALES OFFICES: Montreal, Toronto, Hamilton, Winnipeg, Vancouver

Textiles Serve Soldier and Civilian

Wide Range of Products Needed for Fighters and Production Line

Along with the manufacturers of cotton, woollen and rayon goods customarily thought of as making up the textile industry is another group of companies doing an important job for both war and civilian consumption.

For instance, the great Toronto plant of Tip Top Tailors Ltd. plays a leading part in clothing Canada's civilian population. It is also one of the most important Canadian producers of uniforms for the army and air force.

Big volume is the keynote of the Tip Top organization; it takes so long to speed into top production and then slow down again that to get a smooth flow as many as 50,000 units must be produced at a time. Despite this mass production, the hand of the expert is evident in every operation.

Special measurement requirements for uniforms are few, outsize men are usually rejected for military service. There are about six main sizes with the bulk being 36's, 38's, 40's and 42's. In the actual making of the service uniforms there is an almost absolute lack of waste motion. Layers of cloth and linings six inches thick are cut at one time with an electric knife, then each lot is tied and sent on to other operators.

Highly Specialized

On the "production line" some do nothing else than the sewing of button holes, others handle only shoulder pads, some do seaming, pocket trimming, pressing; another puts on size-tickets all day long. Through such specialization each worker attains a high rate of speed.

Government inspection is carried out at the plant after which the uniform is boxed and labelled, with measurement sizes stencilled on the outside. Each box contains a soldier's blouse and trousers. This is later handed out to the man with the nearest measurements.

In the important field of agriculture these companies have an important role. Canada has the British Empire's largest manufacturer of binder twine in Brantford Cordage Co. To meet demand, this company is operating at peak capacity. Indication of priority rating on its production is the fact that the Department of Munitions and Supply has ruled that Canadian farmers will be allowed all the binder twine they need to the extent of their normal requirements.

Worker Demand

Another of these "miscellaneous" textile companies is Acme Glove Works Ltd., which produces along with gloves and mitts, shoe packs, wool socks, sheep lined and mackinaw clothing and work garments. For some time this company has been operating at a high rate, not so much on direct war business as in supplying needs for the second line of defense at home. Its improved operations are traceable to a large extent to the upsurge in manufacturing and lumbering throughout Canada. Workers busily supplying the sinews of war are finding that they need more of this company's products.

Thus is displayed the wide range of textile operations, serving on both the firing line and the home front. Much of the basic fabric for Canada's economy is sweeping out from the mills of the great textile companies.

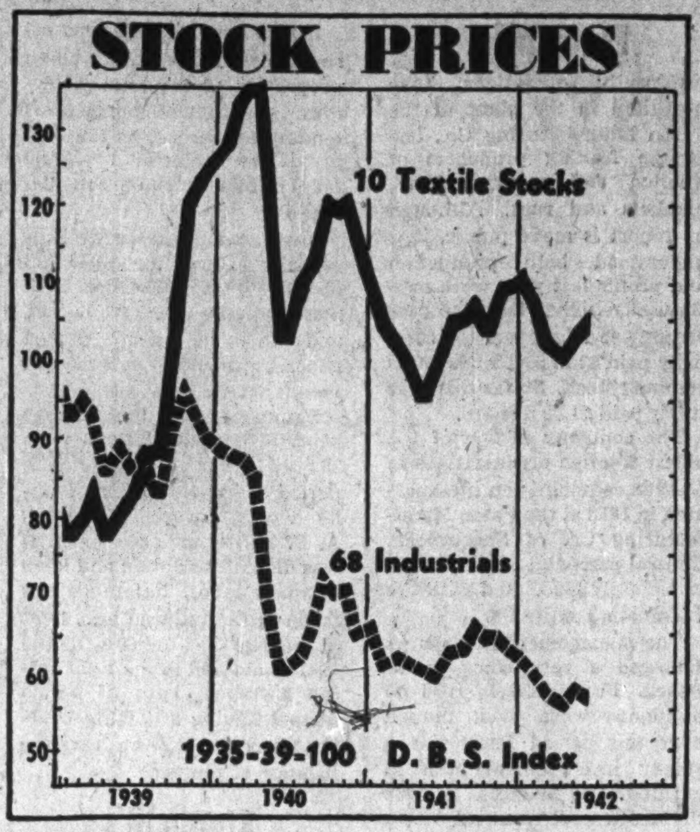


Chart by The Financial Post

Despite soaring taxes, textile securities have held better in the market than the run of industrial stocks. Major factor has been the tremendous increase in textile production.

Acme Glove

Outlook for Acme Glove Works this year is somewhat uncertain. Many raw materials are becoming increasingly scarce and, though there is a continued demand from the trade for merchandise such as the company manufactures, the growing scarcity of labor for civilian production will have its influence upon production.

The company entered the current year with a good inventory position. Stocks of raw materials, semi and wholly manufactured goods, were valued at $662,092. This contrasted with $568,665 at the end of the preceding year. Justifying the exceptionally large inventories, Alphonse Lepine, president, stated they were necessary in order that operations may be uninterrupted.

The company has participated only to a very limited extent in war business. Betterment has been almost entirely from normal business. On the other hand a great deal of this "normal" business is directly and indirectly related to the war effort.

Operating profits last year far above average and amounted to $195,376. Because of larger write-off for depreciation and provision for income taxes, net profit showed only a comparatively moderate gain. Financially the company has worked itself into a sound position with working capital in excess of $900,000 as compared with total assets of $1.3 million.

Biltmore Hats

Business of Biltmore Hats Ltd., Guelph, Ont., so far this year is understood to be on a normal basis. This is somewhat below the level of the same time a year ago due to the fact that at that time there was a heavy volume of forward buying due to the uncertainty then prevailing. It is now believed that a good part of these surplus stocks in the hands of the retailer has now been worked off.

A supply of raw materials is one uncertainty in the Biltmore Hats' picture but as a guard against that situation the company is carrying unusually heavy inventories. At Nov. 30, 1941 these amounted to $621,769 as compared with $422,431 at the previous fiscal year end and being more than double the 1939 figure.

Brantford Cordage

Improved financial conditions among western farmers have been reflected in results of Brantford Cordage Co. For the last two years the company has shown first preferred dividends well covered.

It is the largest manufacturer of binder twine in the Empire and supplies about one quarter of the Canadian consumption. Capacity of the plant at Brantford, Ont., is approximately 20,000 tons of binder twine annually.

While the war has changed the marketing position somewhat, Brantford Cordage has been placed in a relatively favorable position by a government ruling which says that farmers of Canada will be allowed all the binder twine they need to the extent of their normal requirements. The twine is to be made of sisal, however, and contain no manila. The shipping situation plays a part in the supply of sisal as this material is imported from British East Africa, some formerly coming from Java.

Caldwell Linen

During the past two years Caldwell Linen Mills, Iroquois, Ont., has been gradually transferring its production from linen to part linen and cotton goods. This has minimized the need for linen yarn in the company's operations. The company has thus been able to maintain its production as all the raw materials on which it depends are produced on this continent with the exception of linen yarns. It has been officially stated that the situation created by the institution of price ceiling has been satisfactorily met.

Caldwell Linen is one of the pioneers in linen manufacturing in the Dominion, the making of fine cotton goods complementary to the linen business being a comparatively recent development. The company's plant at Iroquois is a complete manufacturing unit with production commencing with raw yarns and including winding, warping, weaving, dyeing, bleaching and finishing. During 1941 the plant was operated at full capacity and as a result of enlarged capacity, the volume of sales during the year was the highest on record.

Harding Carpets

Business activity of Harding Carpets Ltd. during 1941 reached the highest peak of the company's history. After doubled taxation, earnings per common share totalled 54 cents as compared with 32 cents in the previous fiscal year. It is understood that current operations are continuing at a high level.

Operating results this year will reflect acquisition last October of Guelph Carpet and Worsted Spinning Mills Ltd. This will give the Harding organization increased production and diversification as the Guelph firm has the oldest established carpet business in Canada, and operates the second largest worsted spinning plant in the Dominion.

Harding Carpet operates at Brantford where it manufactures carpets and rugs, specializing in seamless Axminsters and Wilton rugs.

Guelph Carpet

Control of Guelph Carpet & Worsted Spinning Mills Ltd. passed into the hands of Harding Carpets Ltd. late in 1941. This has meant no change to the Guelph Carpet operating set-up aside from the unification of its management with that of Harding through the introduction of new directors to the Guelph Carpet board. Separate factories and selling organizations are maintained.

Guelph Carpet operates the second largest worsted spinning plant in Canada, a line that is in considerable demand for war requirements. Its carpet production is now correlated with that of the Harding Carpets.

During the fiscal year ended Sept. 30, 1941, Guelph Carpet maintained net profits at $1.55 per common share while working capital improved moderately to $775,954.

Lewis Ltd.

Lewis Ltd., one of the most important of the Maritime textile operators, has had to slow down operations owing to the restriction of wool and rayon supplies. Aside from this, demand has been well maintained, and business for the current year should compare satisfactorily with that reported for 1941.

In recent years the company has spent large sums of money in modernizing and extending its plant. The yarn capacity, in particular, has been greatly increased. The company also has installed a wool-scouring and combing plant—one of three in Canada. Currently it is erecting a wool storage warehouse.

Modernize Plant

The Truro plant is now completely modernized, enabling the company to handle its standard volume of business at no advance in cost despite the higher charges for materials, etc.

Lewis Ltd. sells across Canada and before the war had developed an important export trade. The latter has been carried on under considerable difficulty since outbreak of war. Volume of export trade naturally has diminished due to lack of shipping space, but this has been offset by expansion of domestic business.

Toronto Carpet

Toronto Carpet Manufacturing Co. produces rugs and carpets at its plants located in Toronto, Campbellford, Ontario and Philadelphia. A wholly-owned subsidiary, Barrymore Cloth Co. produces woollen and worsted cloths complete from raw wool to the dyed and finished material. The firm does not issue a public financial report.

Tip Top Tailors

With the heavy demand for new uniforms that marked the early days of the war now slackening off, Tip Top Tailors has been able to devote a larger proportion of its manufacturing facilities to turning out civilian clothing. In this field, Tip Top is the largest operator in Canada, having a factory in Toronto and distributing suits through more than 50 small retail stores scattered throughout Canada.

It is also a major unit in the manufacture of uniforms for the Canadian armed services, and this sort of business should continue to be important to earnings. In the civilian field Tip Top, along with other clothing manufacturers, has been able to institute several economies. This has resulted in a slightly more standardized suit.

In 1941 Tip Top's operating profits dropped to $565,024 from over $1 million in the previous fiscal year. This decrease was chiefly due to a drop in the volume of orders for uniforms and higher operating costs. Net profits were maintained through reduction in taxes, depreciation and special inventory reserves.

Tip Top Tailors Inc. which is controlled by the Canadian company is being wound up with little expected to be available for distribution to shareholders. Tip Top has guaranteed dividends on the preferred stock of the American company up to Jan. 30, 1944.

The Monarch Knitting Co.
Limited

Head Office — DUNNVILLE, ONTARIO

Manufacturers of
Knitted Outerwear — Hosiery
Hand Knitting Yarns

Factories at
DUNNVILLE, ST. THOMAS,
ST. CATHARINES

Sales Offices
TORONTO MONTREAL WINNIPEG
CALGARY VANCOUVER

CIRCLE BAR
REGISTERED
HOSIERY

SERVING A PURPOSE

From early times, the nations that advanced in the arts—sanitation, health, population and wealth, have been those that fed, clothed and housed themselves.

Canada could produce many million pounds more wool than she does and import less and Canadians are clever enough to fabricate it into attractive comfortable garments for our armed forces and civilians.

Our effort during the days of our appointed time, is to knit good Full Fashioned and Circular Knit Hosiery. To spin high grade Dryspun Botany Yarns. To weave good cloths.

THE CIRCLE BAR KNITTING CO. LTD.

Owen Sound and Kincardine, Ontario
Head Office

MERCURY MILLS
LIMITED

Manufacturers
of

Mercury Brand
Fine Silk and Woollen
Hosiery and Underwear
for
Men, Women and Children

Canadian Manufacturers
of
Van Raalte Lingerie
Dr. Denton's Sleeping Garments
for Children

Associate Company
Maitland Spinning Mills, Listowel

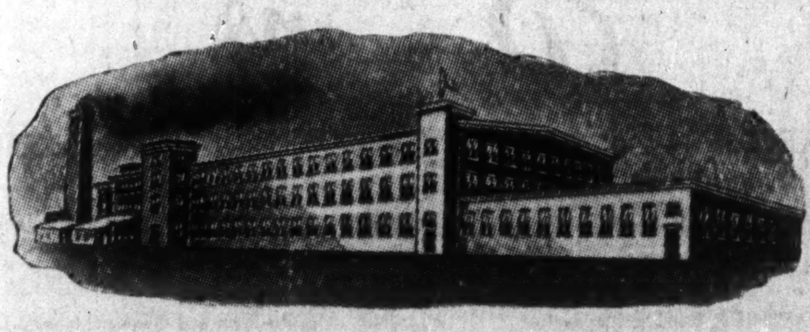
HEAD OFFICE - HAMILTON, Ontario

Sales Offices in principal cities

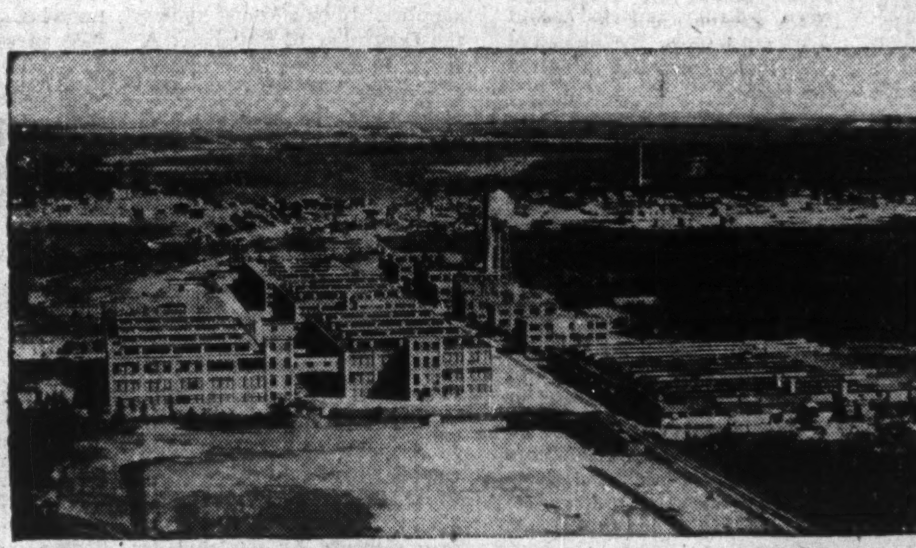
"Windsor Wear"
for Men

"Evangeline"
for Women

UNSHRINKABLE UNDERWEAR



NOVA SCOTIA TEXTILES Limited
Underwear Manufacturers
WINDSOR, NOVA SCOTIA



This Is the Home of
Canadian Celanese

THIRTY-ONE HUNDRED CANADIANS work here to produce the materials which clothe the Canadian people united in an all-out war effort. Scores have left to join the fighting forces.

THIRTEEN MILLION DOLLARS have gone into the making of our home . . . the fruit of the combined labour and skill of all of us.

FIFTEEN YEARS of patient endeavour establishing us as an integral part of Canada's Industrial Economy.

SERVING AND READY TO SERVE to the uttermost we stand united to defend and to keep our home, our livelihood and our Canadian way of life.

Canadian Celanese Limited
MONTREAL, QUE.
Factory at Drummondville, Que.

Seek to Conserve Our Wool Supplies

About 60% of Industry's Capacity Devoted to War Materials

Outbreak of war in the Pacific late last year struck hard at the supply lines of the Canadian woollen industry. Accenting the situation is the fact that of Canadian consumption of some 110 million lb. of wool only about 15% is produced at home, the rest coming from Australia and New Zealand.

While stocks of wool in Canadian hands are understood to be fairly large, a far-reaching campaign has been instituted so that the stocks may be conserved as much as possible. Under official order the use of new wool in civilian goods output during the six months from April to September has been restricted to 20% of the total quantity of wool used during the entire year of 1941. In worsted goods the six-month restriction is 25% of the total wool used during 1941. This difference is attributable to the fact that it is harder to find substitutes for wool in worsted materials. The restriction of new wool for civilian uses has meant a greater use of reworked wool, rayon and cotton, while in the worsted material, rayon is an important substitute.

Other Steps

Other important changes, looking toward greater operating efficiency and conservation of material have recently taken place. Colors, count of yarn, weight of fabric, use of pattern yarn, sizes of blankets, etc., have been greatly simplified and standardized. In the men's and boy's clothing trade, the elimination of double-breasted coats, trouser cuffs, etc., is expected to effect a saving of 15% of normal woollen and worsted cloth consumption.

Hand in hand with this conservation of supplies is a nation-wide programme designed to stimulate wool production at home. Each sheep on a Canadian farm means another seven or eight lb. of wool each year.

Encouraging Production

To help meet any raw material emergency arising out of the Pacific shipping situation, and also to encourage wool production in Canada, the Dominion Government recently announced formation of the Canadian Wool Board Ltd. Scheduled to operate for the duration of the war and for one full clip year after, this Crown company is vested with wide powers to take over the country's entire wool production. It will set prices for graded wool each season and has the power to take whatever steps it deems necessary to build up a wool stock pile in Canada.

To encourage the maximum production of wool the Board has set the price for the 1942 clip from 7 to 10% higher than that paid for the 1941 clip. Wool for military purposes will continue to be handled chiefly by Melbourne Merchandising Ltd., another Crown company which was established in 1940.

Dominion Textile Photo

Canada's textile mills are running full blast to turn out tens of thousands of yards of tough, serviceable serge to clothe our rapidly growing army. Here's the folding room of one of these plants, tables piled high with bolts of khaki on the way to be made into uniforms.

60% For War

About 60% of plant capacity of the wool yarn and cloth industry is engaged in the production of war materials. This fact coupled with uncertainty over the supply situation has created considerable discussion over the possibility that clothes may be rationed. On this question officials of the Wartime Prices & Trade Board have recently stated that with the restrictions already in effect on clothing, rationing will not be necessary if consumers and retailers buy normally. They warn that any over-buying will result in a serious situation and possibly in coupon rationing.

Capacity Output

For the woollen manufacturing industry, 1941 was another year of capacity output. Production of woollen fabrics in Canada during the year amounted to some 27.7 million yards as compared with 26.4 million yards in 1940, 17.2 millions in 1939 and 14.3 millions in 1938. The fact that production last year increased only some 5% was due to limitation of capacity. Impact of this peak demand is indicated by the fact that in 1938 the wool cloth and yarn industry reported about 7,500 employees. By the end of 1941 this number had increased to 12,300.

Price Adjustments

So far as the question of price adjustment is concerned, the woollen and worsted industry has been in a comparatively favorable position. Due to the fact that raw wool was under the control of the United Kingdom Wool Control little price variation showed throughout the first 10 months of 1941. Thus, prices were generally based close to replacement cost of raw material. More upsetting has been the sharp increase in cost of landing wool from Australia due to wartime freight and insurance conditions. Increased operating costs in items such as supplies, wage rates, and lack of experienced help at the mills have been partially offset by the unusually high rate of operation. If civilian production is severely curtailed the cost factor would be of particular importance.

Can. Co-operative

During 1941, 26 registered warehouses throughout Canada graded 8.3 million pounds of fleece wool. Of this total Canadian Co-Operative Wool Growers Ltd. handled shipments totalling 5 million pounds. Wool sales were chiefly confined to the Canadian market, but some fine wools and certain specialty wools were sold to established customers in the United States.

In the year ended Feb. 28, 1942, the organization had its highest net profits on record at $55,947. During the year further additions to warehousing and grading facilities was made bringing warehousing capacity to 7 million pounds.

Canadian Co-Operative Wool Growers Ltd. is a co-operative marketing organization working with Canadian wool growers.

Dominion Woollens

Orders on hand for Dominion Woollens & Worsteds Ltd. ensure capacity operation well past the end of 1942. To provide for the high level of production, large stocks of raw materials are being carried, with inventories valued at more than $1.5 million.

Demand from the government for war supplies has played a large part in the scale of operations, although this demand has fluctuated.

Dominion Woollens produces woollen and worsted cloth and yarns at plants at Hespeler, Peterborough and Orillia, Ont.

Earnings at 1941 showed a slight recession while working capital improved from $930,000 to $1.1 million.

Paton Mfg.

Capacity operations have prevailed in the plant of the Paton Manufacturing Co., one of the leading producers of woollen and worsted cloth, blankets and rugs. Although no report is made public, it is understood both production and profits last year were substantially higher than the preceding year. Last year the company paid $2 in dividends on its common stock. So far this year it has paid $1.50 a share.

The company is one of the oldest woollen organizations in Canada, having been incorporated in 1868 at the Paton Manufacturing Co. of Sherbrooke. Control passed in 1933 to interests closely associated with the Dominion Textile Co.

The management has always followed a very conservative policy. From 1923 to 1938 no dividends were paid, though over this period there was a steady improvement both in earnings and finances. In 1938 dividends were resumed with a payment of 50 cents a share, have been paid regularly since.

Penmans

Sales of Penmans Ltd. in 1941 reached the high figure of $8 millions, an increase of 9.65% over those reported in the preceding year. This was the largest volume of business handled by the company in any year over the last two decades.

Direct war business was responsible for a relatively small proportion of the total. However, government business is tending to increase as the supply of raw materials available for civilian consumption decreases.

The company has a well diversified range of products and operates on a national scale. It manufactures woollens, cotton, and artificial silk knitted goods, hosiery, underwear, sweaters, etc.

Shipments for the current year to the end of April were 23.5% higher than the like period in 1941. Although unfilled orders were substantial, A. F. Bailie, president, said it was difficult to obtain and keep adequate labor. Reference was made to the reduced allotment of wool to 50% or 60% of the 1941 quota and to the tight cotton situation, both of which factors having a definite bearing upon operations during the balance of the year.

Stanfield's

Capacity operations continue at the Truro plant of Stanfield's Ltd.

At present about 25% of production is on government account. Underwear is being manufactured for the army and air force and socks for the army.

The anticipated falling off in civilian demand looked for late in 1941, because of what seemed excessive stocking up by retailers, did not materialize. Consequently, the company is finding a ready market for all the merchandise it can produce.

Export trade has been restricted. Normally, the company does a fair volume of business with South Africa. While the demand exists, it is difficult to secure shipping space and until there is an improvement in this regard, overseas trade will be limited.

Owing to its strong position in the woollen and rayon knit goods field, the company has a long record of stable earnings. They have varied remarkably little for some years, profits on the common stock ranging around $13 a share.

Nylon is Called Up

Reserve New Plant Output for War Use

Nylon yarn is now being made in Canada from flake polymer imported from the United States. The new nylon plant of Canadian Industries Ltd. commenced manufacturing operations a few days ago, and marks another step to make Canada and the Empire independent in the supply of an essential material for both war and peace.

Nylon has followed silk into the ranks of controlled war supplies. It now comes under the Controller of Supplies. A factor in deciding on the wartime control of nylon is understood to be the probability of its use for parachutes and other war requirements. The majority of parachutes so far produced in the United Nations have been made of pure silk but the restriction of supplies due to the war in the Pacific has brought about its replacement by this new and stronger, chemically produced textile fibre.

Faced with this situation, the Department of Munitions and Supply encouraged the erection of a Canadian nylon plant against the time when silk reserves would be depleted in this country and also to serve as a reserve supply for British requirements.

The new nylon plant is at Kingston. In addition to strength and compactness even greater than silk, nylon has the shock-absorbing properties necessary to stand the strain of opening in the slip stream of a plane or when a flier is plummeting to earth at the terminal velocity of more than 100 miles an hour.

A committee of the National Research Council of Canada has carefully checked the properties of nylon parachutes. Drop tests from planes and careful storage tests under working conditions show conclusively that nylon is actually superior to the product of the Japanese silkworm in durability and strength.

The qualities of nylon are already known to millions of women who wore hosiery made from the chemically produced yarn until the demands of war diverted its use from wearing apparel to provide "life preservers" for the airmen of the United Nations.

Like aluminum, vulcanized rubber, plastics and anti-knock gasoline, the internal combustion engine, the machine-gun, explosives, and the airplane itself, among a host of other equipment that go to make modern aerial warfare possible, nylon is a non-Axis discovery. Purely the product of North American research, nylon was originated by a United States chemist, Carothers, who also synthesized one of the best-made rubbers, widely used in airplane parts.

Synthetic Yarn Supply at Peak

(Canadian Synthetic Filament Yarn Production and Importations of Rayon Yarns and Staple Fibre)

(Calendar Years 1925 to 1941)

In thousands of pounds

Year	Viscose Yarn Output	Acetate Yarn Output	Total Production	Yarn Imports	Staple Fibre Imports	Canadian Supply Total
1925	507	...	507	1,851	...	2,359
1926	1,921	...	1,921	1,365	...	3,287
1927	2,512	...	2,513	1,615	...	4,128
1928	3,153	203	3,356	2,031	...	5,888
1929	3,280	403	3,684	2,221	...	5,906
1930	3,535	1,091	4,627	2,388	...	7,011
1931	4,376	1,495	5,871	1,780	...	7,652
1932	5,197	2,127	7,325	1,088	...	8,413
1933	4,567	2,766	7,334	1,757	...	9,091
1934	6,718	3,832	10,550	1,210	...	11,761
1935	8,467	4,748	13,215	1,214	...	14,430
1936	8,064	5,557	13,622	1,167	...	14,790
1937	10,173	6,325	16,498	2,022	...	18,520
1938	7,204	6,500	13,704	1,756	...	15,461
1939	7,697	6,500	14,197	3,128	2,569	19,895
1940	12,637	7,200	19,837	3,482	4,180	27,500
1941	12,000	7,500	19,500	4,620	7,896	33,016

Quebec A Leader In Textile Field

Quebec holds a place of leadership among Canadian provinces in the field of textile production. In Quebec there are over 925 textile plants in which the capital investment amounts to $152 millions.

Measured in terms of employment and wages, the textile trade ranks first among Quebec's manufacturing industries. More than three out of every ten factory workers find their jobs in textile mills.

Since early days the Canadian cotton industry has been centred in Quebec and now has over 20,000 people on its payrolls. The Quebec mills account for nearly three quarters of the cotton output in Canada.

Knitting of hosiery is another large-scale enterprise in which Quebec contributes almost 60% of the Canadian output.

Roughly speaking, about one half of the textile plants in Canada are located in Quebec province.

Canadian Industries Photo

In peacetime you could say this bucket was full of silk stockings. In wartime it's full of parachutes. The white crystalline flakes are polymer, of which the basic ingredients are coal, air and water. From polymer comes nylon yarn, which is now being extruded and spun at the new nylon plant of Canadian Industries Ltd. at Kingston for military uses. After Hitler & Co. have been liquidated, it will still be extruded and spun—for full-fashioned hosiery, fishing lines, tennis rackets and a hundred other uses.

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Penmans favourably known trademark — the "Pen Angle" — has become the identification mark for the highest quality knitted wear. The skilled care in every detail of manufacturing and strict adherence to correct style, associated with this trademark, has won the confidence of the Canadian public, and built for Penmans an outstanding place in the markets of the world.
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C. B. ROBINSON, Secretary-Treasurer.
Mills at:
PARIS, LONDON, BRANTFORD, WATERFORD, ONTARIO; COATICOOK AND ST. HYACINTHE, QUEBEC.

Photo—Public Information.

A roof of camouflage netting protects this field gun from being spotted by airmen as these soldiers carry out exercises at Petawawa, big artillery training centre. Production of camouflage net is one of many contributions Canada's great textile industry is making to the war effort. In size, such nets range from those which cover helmets and help snipers camouflage themselves with branches to those which serve to camouflage aircraft hangars.

Knitters Fight Shortages As War Needs Mount

Confronted with more severe shortages in several directions the position of the Canadian knitting trade has become more serious. Total yarn supply is from 35 to 40% below the level of a year ago indicating the possibility of a shortage of knitted goods for civilians late this year.

Spinners of worsted and woollen yarns are largely dependent upon importation of their raw materials and under current shipping conditions there exists a great deal of uncertainty in this regard. Meanwhile greater quantities of these yarns are being taken up by government war orders.

Cotton spinners are also turning over more of their production to war work which means that the available supply of yarn for civilian use is on a diminishing scale. Those in the trade are planning their output and the elimination of all non-essential production so that any shortages that may develop will be minimized.

Rubber Shortage Hits

Many changes in the knitting industry have been necessitated by the rubber shortage. For the hosiery industry elimination of elastic yarn necessitates reverting to transferred ribbed cuffs which has meant the purchase of new equipment by some mills as their machinery was of a modern type, unable to switch back to the older style of production. The cutting out of elastic in clothing has meant that bathing suit manufacturers, cotton underwear and lingerie manufacturers have had to create new designs with elastic eliminated. These new styles of both underwear and transferred hosiery are more expensive to make than the styles that have been popular in recent years.

Push Economy

During the past few months there has been a wide programme of economy and simplification in the manufacture, packing and shipping of knitted goods to maintain price ceilings and conserve raw material and labor. The first step in this direction was made by the full-fashioned hosiery industry which agreed to confine itself to six basic and four other shades. In addition, one quarter dozen box packing and individual glassine or paper containers have been dispensed with. Men's fancy half hose are being confined to five solid and three mixture body colors. Worsted shades for outer wear have been cut down to approximately 48. While this still leaves a wide range available, evidence of the importance of the reduction is the fact that previously there were approximately 1,600 shades called for.

In the trade these steps to conserve dyestuffs and hold down costs are regarded as only preliminary. Official warning has come that shortage of labor and raw material is going to necessitate cutting out every operation which does not add wearing quality to the product. Heeding this warning each section of the knitted goods industry is making a study to determine to what extent the programme of simplification and standardization can be furthered.

The Canadian knitted goods industry is represented by more than 170 producing units and bringing the wide range of products under the price ceiling system presented some particularly difficult problems. By and large, however, these have been successfully negotiated. One problem was created by the fact that the imposition of price ceilings found the full-fashioned hosiery industry in the midst of a complete changeover in styles necessitated by the withdrawal of pure silk as a raw material.

Styles and qualities on the retail counters in many cases did not represent styles which could be repeated or which the mills were producing when the new regulations became effective.

After much study, an order was issued establishing standard construction of full-fashioned stockings for various gauges of machines, made from the available materials and graded into definite price brackets. In some cases knitters found that some of their lines had to be advanced in price while others had to be reduced to bring them into agreement with the new regulations. Other adjustments had to be made on a wide scale due to the fact that many products are seasonal goods.

Heavy War Production

Volume of knitted goods sales during 1941 is estimated at $90.2 millions which represents an increase of 53.4% above the average annual dollar sales of $58.8 millions in the years 1938 to 1940 inclusive.

Extent of production for war is shown by the fact that from Jan., 1941, to the end of Feb., 1942 the Department of Munitions and Supply ordered from the knitted goods industry 659,465 pairs of woollen gloves and mitts, 4.7 million pairs of socks and stockings, 640,691 woollen underwear shirts, 579,041 woollen underwear drawers, 1.2 million cotton underwear shirts, 1.3 million cotton underwear drawers, 112,000 summer combinations, 911,000 sweaters and pullovers, 315,160 comforter caps and 26,900 duffel coats.

Celtic Knitting

The company manufactures women's, children's and men's hosiery in the lower price field. Normally its products are not in the luxury line class and less subject to fluctuating demand than expensive merchandise. However, because of wartime conditions and the forced entry of other companies into the use of materials ordinarily not handled, the position of Celtic Knitting has suffered.

Labor difficulties and inadequate supplies of raw materials have affected both operations and earnings of Celtic Knitting Co. Like other textile operators in the knit goods field, Celtic Knitting's supply of wool, rayon and cotton yarns has been limited, with the result production and sales are adversely affected.

Though the loss of skilled employees and inadequate supplies of raw materials prevented full and efficient manufacturing operations, the company was able to maintain earnings on a relatively satisfactory basis last year. Operating profit was off from $40,699 to $34,906. Net profit amounted to 25 cents a share, as against 46 cents a share in 1940. In so far as the current year is concerned, the company started off on a better basis than it did a year ago in respect to inventories. However, because of the difficulty of replacing supplies as they are used, it is to be expected results will not show an improvement over 1941.

Monarch Knitting

Monarch Knitting Co. recorded appreciable progress during 1941 but, in common with other companies in the knitting trade, supply shortages have added a note of uncertainty to the current picture.

In 1941, despite a slightly lower operating profit, net profits were increased, due to a lower tax provision, with final net being $9.64 a preferred share compared with $6.25 in 1940. The 7% preferred stock carries some $57.91 in dividend arrears.

Monarch has three factories, the largest at Dunnville, Ont., and the others at St. Thomas and St. Catharines, Ont. It manufactures heavy and fancy knitted goods, lingerie and hosiery along with a complete range of staple and novelty yarns for hand knitting.

Mercury Mills

Sales and production of Mercury Mills Ltd., Hamilton, so far this year compare favorably with the same period a year ago. In 1941 the company reported a sales increase of approximately 18% with net profit advancing to 82 cents a share from 77 cents in the previous year.

Most pressing current problem is shortage of materials and labor.

The company spent some $111,000 during 1941 for modern equipment. At the same time it was able to improve working capital to $904,138 from $761,792.

Two plants are operated, at Hamilton and Listowel, Ont., the latter being operated by the subsidiary P.K. Mills Ltd. They are equipped to produce a wide range of knitted goods.

J. R. Moodie

J. R. Moodie Co., Hamilton, manufactures underwear and knitted goods. No financial statement is published.

The company has outstanding $412,500 6% first mortgage bonds due July 1, 1948, there having been a reduction of $41,000 in the amount outstanding during 1941. There are also 36,000 no par value common shares outstanding.

Regent Knitting

Rising costs for materials and labor in the face of the price ceilings have had their effect upon earnings of Regent Knitting Mills, Ltd., as with other knit goods manufacturers.

Last year, the company had an increase of 8.3% in total sales. But the gain was more than offset by advances in materials and labor costs, as well as in other expenses. As a result, net profits on the common stock amounted to only 24 cents a share, against $2.52 the year before.

Results this year are expected to be somewhat better, as the company has completed its plant modernization programme. This should result in lower manufacturing costs. Against this, however, is the rationing of raw materials which will have the tendency to hold down production despite the demand for knit goods.

One strong feature of the current position is the large inventory which the company reported at the beginning of the year. In this connection, C. G. De Tonnancour, president, reported the increase in inventories amounting to $1.1 million to $1.3 million, was considered by the directors as an essential precaution necessitated by the difficulty of transporting wool.

The financial position of the company underwent further improvement. Working capital increased $113,000 last year to $1.1 million. On March 1, 1941, $25,000 of first mortgage bonds matured and were repaid and the further $25,000 were repaid on March 1, this year, reducing the outstanding funded debt to $400,000.

Inventory Control Said Not In Mind

No form of inventory control over textile materials and stocks is yet being contemplated by the Wartime Prices & Trade Board, according to officials. However, if it is found that consumers are not being clothed adequately it would then become necessary for government officials to take stock and make inventory.

Clothes From Milk Modern Textile Miracle

Clothes from milk is one of the modern miracles of the textile industry. Casein fibre was first developed in Italy and used there as a substitute for wool. American chemists later developed a process for the production of casein fibre by a different method from that used for the Italian "Lanital." The U. S. product is known as "Aralac."

One of the chief uses of this product is in combination with rabbits' hair and wool for hat felt. Used alone, or in combination with wool or rayon, it has possibilities for coatings, suits, uniform fabrics, dress goods, hosiery, underwear, sweaters, and other products.

Chemically, casein fibre bears a close resemblance to wool. It is slightly yellow in color and while not subject to moth attack, is damaged by bacteria. It has good resistance to creasing and is less susceptible to shrinkage than wool.

WE PRODUCE 316 ITEMS FOR WAR USE

In the 1914-18 war, the demands on the Dominion's cotton textile industry were for personal equipment and not much besides. But in this present struggle many different kinds of cotton products are required as well. Fortunately, the technique of cotton manufacturing in this country is keeping pace with these new demands.

So cotton appears in anti-gas cloth, in parachute strapping and in aircraft fabrics. It is in camouflaged cloth, in gas mask cloth, in signal equipment and tire fabrics. It is in gun covers and in camouflage netting. It is in air crew overalls, in hatch covers of freighters and in powder bags. And, of course, it is in uniforms, shirting, underwear, palliasses, blankets, tent duck, ground sheets, bandoliers, web equipment, leggings, tarpaulins, kit bags and bandages. It is even in shoe threads.

Over 70 per cent of Dominion Textile's production now goes into these and other essential materials such as munition workers' uniforms, etc. Altogether we produce 316 items—by the millions of yards.

DOMINION TEXTILE COMPANY LIMITED
Montreal Quebec

STATISTICAL RECORD of CANADA'S TEXTILE INDUSTRY

	Year	Net Bonded Debt $	Gross Income $	Depreciation $	Taxes Paid $	Net Profits $	Times Bond Interest Covered $	Earned Per Share Pfd. $	Earned Per Share Com. $	Com. Div. $	Year's Surplus $	Net Working Capital $	Price Range Common 1941-42 High	Low	Last	Directors
Acme Glove Works	1941	Nil	195,376	40,011	*53,888	65,840	....	9.57	0.88	Nil	21,126	908,771	3	1	3	Alphonse Lepine, pres.; F. G. Donaldson, vice-pres.; H. D. Dwyer, E. Lavoie, A. E. Clark, G. B. Foster, Montreal; W. Burke, Joliette, Que.
*Income tax. †Deficit.	1940	Nil	146,454	25,593	*30,135	55,966	....	8.14	0.47	Nil	11,252	850,481	6	3	..	
	1939	Nil	60,063	21,596	*723	3,405	....	0.49	†1.72	Nil	†18,953	818,627	6	2	..	
Belding-Corticelli	1941	Nil	850,149	186,860	*425,000	154,167	....	17.82	12.49	4.00	63,616	1,294,767	81	80	81	W. P. MacDougall, pres. & man. dir.; J. M. Mackie, vice-pres.; R. C. Vaughan, P. F. Sise, A. S. Bruneau, J. D. Johnson, C. E. Gravel, Montreal.
*Income tax.	1940	Nil	519,185	171,218	*120,000	135,050	....	15.61	9.94	4.00	44,499	1,132,644	97½	80	..	
	1939	Nil	370,623	160,490	*44,000	112,712	....	13.03	6.96	4.00	22,161	1,030,163	95	90	..	
Biltmore Hats	1941	115,000	178,840	14,298	*60,000	71,745	....	....	0.90	0.60	23,745	446,988	8¾	6½	6¾	J. A. Fraser, pres., Toronto; W. J. Tiller, vice-pres. and gen. mgr.; W. F. Franke, sec.-treas.; R. P. Ramsey, Guelph, Ont.; A. G. A. Spence, Toronto.
*Income tax.	1940	145,000	161,641	13,441	*38,320	77,411	....	....	0.97	0.85	9,411	416,740	12	8	..	
	1939	160,000	169,811	13,926	*21,178	99,585	....	....	1.24	0.62½	49,585	428,689	11¼	6	..	
Brantford Cordage	1941	Nil	594,988	10,547	234,460	213,136	....	5.94	1.55	Nil	165,659	1,967,272	..	..	..	W. M. Messecar, pres. & gen. mgr.; W. C. Wells, vice-pres. & sec.-treas., Brantford; H. R. Tudhope, Glyn Osler, Toronto; P. R. Logan, C. Johnson, A. M. James, Brantford.
†Deficit.	1940	Nil	446,952	10,542	151,491	227,343	....	6.16	1.70	Nil	178,171	1,733,403	..	..	..	
	1939	Nil	75,677	10,537	......	8,890	....	0.23	†1.04	Nil	†41,046	1,576,789	..	..	..	
Bruck Silk Mills	1941	392,900	1,064,214	226,378	*164,658	267,568	17.59	....	2.14	....	267,568	886,269	6½	4½	4⅞	I. I. Bruck, pres. & treas., Montreal; L. S. Lee, vice-pres., Cowansville, P.Q.; H. Stern, sec.; M. Darling, H. D. Dwyer, A. M. Flanders, R. B. Perrault, Col. P. P. Hutchison, H. E. Herschorn, Montreal; Benjamin Leibel, New York.
*Income tax.	1940	408,500	511,710	97,610	*35,156	58,309	4.51	....	0.47	....	58,309	659,475	6½	4½	..	
	1939	410,500	382,171	47,695	*7,453	29,850	2.39	....	0.24	....	29,850	666,061	6¼	2	..	
Canadian Celanese	1941	Nil	4,536,395	484,639	*1,800,000	1,975,439	....	18.53	3.98	2.00	572,221	4,915,906	29	18¾	23½	G. H. Whigham, chm., London, Eng.; Dr. Camille Dreyfus, pres.; W. McC. Cameron, vice-pres., New York; C. W. Palmer, vice-pres.; P. A. Thomson, Montreal; R. H. Sperling, mgr., Drummondville, Que.; Brig. Gen. Sir Wm. Alexander, Dr. Henry Dreyfus, London, Eng.; A. Schwartz, New York.
*Income tax and other deductions.	1940	Nil	2,869,820	434,933	*765,000	1,463,829	....	1.341	2.23	1.90	30,652	4,474,531	37⅝	20	..	
	1939	Nil	3,082,879	419,956	*445,000	1,998,995	....	18.77	4.07	2.85	384,429	5,085,607	30½	10⅛	..	
Caldwell Linen Mills	1941	Nil	†347,592	26,969	213,300	107,323	....	7.15	1.62	Nil	73,323	272,454	..	..	..	H. H. Caldwell, pres. and gen. mgr.; D. R. McGell, vice-pres. and sales mgr.; C. V. Ellis, sec.-treas., Iroquois, Ont.; S. G. Dixon, Montreal; W. P. Scott, Toronto.
†Net earnings.	1940	Nil	†128,967	18,707	35,300	74,960	....	5.00	0.81	Nil	62,960	......	..	..	..	
	1939	Nil	†191,322	12,508	35,698	143,116	....	9.54	2.51	Nil	131,116	......	..	..	..	
Canadian Converters	1942*	Nil	236,371	16,097	103,211	69,508	....	....	4.01	2.00	34,838	699,245	19	15	15	J. M. Mackie, pres.; T. R. Rennie, vice pres. & gen. mgr.; T. M. Barrington, sec.-treas.; J. N. Laing, E. C. McMichael, Robert Cherrie, Montreal; W. R. Kerr, Toronto.
*Years ended Apr. 30.	1941*	Nil	123,160	14,925	35,171	56,847	....	....	3.28	2.00	22,177	631,341	19½	14	..	
	1940*	Nil	107,888	12,568	18,500	62,234	....	....	3.59	....	62,234	613,810	18	4	..	
Canadian Cottons	1942*	Nil	3,409,024	606,414	2,100,000	593,656	....	17.77	14.30	4.00+2.00	225,476	7,070,014	106¾	97	102	E. C. Fox, chm., Toronto; R. G. Tolmie, pres. & man. dir.; W. J. Morrice, vice-pres.; W. V. Boyd, gen. mgr.; Sir H. Montague Allan, A. S. Bruneau, J. I. Roy, Montreal.
*Years Ended Mar. 31.	1941*	Nil	2,470,928	579,288	1,226,703	551,811	....	15.07	12.23	4.00+2.00	169,191	6,865,289	120	93	..	
	1940*	Nil	1,769,713	800,000	268,652	585,332	....	16.00	13.48	4.00+2.00	203,212	6,484,683	105	63	..	
Celtic Knitting	1941	Nil	34,906	22,528	*1,347	6,840	....	....	0.25	Nil	6,840	96,967	2	1½	1½	E. P. Gordon, pres.; A. C. Howatson, vice-pres. & man. dir.; E. D. Gordon, sec.-treas.; W. F. Graw, W. K. Nelles, Montreal.
*Income tax.	1940	Nil	40,699	21,294	*3,608	12,361	....	....	0.46	Nil	12,361	84,772	2¼	1½	..	
	1939	Nil	28,053	19,401	*276	6,126	....	....	0.23	Nil	6,126	66,904	3	1⅝	..	
Cosmos Imperial Mills	1941	342,000	*861,853	187,983	351,600	230,233	....	....	2.30	1.20+.15	95,233	1,344,350	25	18	21¾	W. S. Burrill, pres. & gen. mgr.; A. V. Young, vice-pres.; W. T. Mayo, W. B. Powell, Hamilton; J. E. Rousmaniere, New York; G. H. Allen, Yarmouth, N.S.; H. R. Tudhope, Toronto.
*After debenture interest.	1940	380,000	*789,926	164,217	340,500	210,345	....	....	1.94	1.20	74,253	1,103,197	31½	19⅞	..	
	1939	......	419,529	98,672	53,024	214,841	....	....	1.92	1.05	84,000	1,106,935	28	16⅞	..	
Dominion Textile	1942*	4,300,000	11,907,239	2,084,431	†8,000,000	1,546,624	66.64	79.70	5.23	5.00	60,782	12,463,523	83	69	72	G. Blair Gordon, pres. and man. dir.; J. G. Dodd, vice-pres.; A. F. Baillie, J. P. Black, Hon. C. A. Dunning, W. A. Eden, Montreal; Sir Frederick Williams-Taylor, London, Eng.
*Years ended Mar. 31. †Income tax.	1941*	4,300,000	8,498,710	2,000,000	†4,192,456	2,034,146	43,05	104.82	7.03	5.00	548,304	10,328,218	90½	70	..	
	1940*	4,400,000	5,091,512	1,748,704	†831,899	2,214,070	19.17	114.09	7.70	5.00	728,228	9,509,047	90⅛	55	..	
Dominion Woollens & Worsteds	1941	986,400	747,839	196,500	*215,000	219,344	8.22	3.45	0.96	Nil	181,238	1,112,628	1¾	½	1⅛	J. W. Hobbs, chm. of board; Henry Barrett, pres. & man. dir.; J. A. Gairdner, vice-pres., Toronto; W. G. Hanson, Montreal; C. M. Heddle, Oakville, Ont. F. C. Cockburn, sec.-treas.
*Income tax.	1940	1,023,500	901,321	242,591	*315,000	229,798	9.72	3.62	1.03	Nil	191,692	929,823	3⅝	½	..	
	1939	1,058,500	433,084	160,000	*40,000	113,935	3.42	1.79	0.25	Nil	113,935	648,327	1⅞	1¾	..	
Guelph Carpet & Worsted Spinning Mills	1941	500,000	307,597	87,014	152,000	68,583	....	....	1.55	1.50	1,638	772,073	..	..	..	H. Quarmby, pres., Guelph; A. E. Cuthbertson, vice-pres.; C. G. Cockshutt, Brantford; J. S. Dickson, R. R. Corson, Toronto; H. B. Bonner, Hespeler.
	1940	......	274,718	32,968	155,000	86,750	....	17.35	1.55	1.00	19,250	751,598	..	..	..	
	1939	......	171,140	44,084	23,000	104,056	....	20.81	2.04	1.00	36,556	736,625	..	..	..	
Hamilton Cotton	1941	977,000	801,434	214,457	359,500	135,751	13.01	7.50	4.96	....	63,176	1,142,380	..	..	..	A. V. Young, pres. & gen. mgr.; J. V. Young, vice-pres. & treas.; W. S. Burrill, M. B. Holton, Fred Allen, Hamilton, Dunlop Stewart, H. R. Tudhope, Toronto.
	1940	1,037,000	807,218	247,458	329,500	137,948	12.08	7.54	5.05	....	64,585	996,171	..	..	..	
	1939	1,095,000	328,432	111,314	26,450	100,145	3.86	5.42	3.16	....	63,175	821,269	..	..	..	
Harding Carpets	1941	Nil	*314,647	24,214	185,000	94,099	....	....	0.54	.20+.10	41,858	238,555	3⅞	2¼	3¼	A. E. Cuthbertson, pres.; E. A. Mott, vice-pres.; C. G. Cockshutt, Brantford; J. S. Dickson, H. J. McLaughlin, Toronto; Frank Harding, St. Thomas; Capt. C. M. Harding.* *On active service with the Canadian Army.
*After expenses.	1940	Nil	*279,535	48,524	97,000	56,345	....	....	0.32	.20+.10	4,289	481,041	4⅜	2¾	..	
	1939	Nil	*185,627	57,950	23,000	104,677	....	....	0.61	0.20	70,174	468,158	4⅜	2½	..	
Mercury Mills	1941	891,000	452,203	165,547	100,000	65,624	5.45	....	0.82	Nil	65,624	890,695	7½	2	2⅜	R. H. Hommel, pres. & gen. mgr., Toronto; W. R. Cooper, H. G. Smith, Hamilton; J. H. Gundy, A. D. Cobban, Dunlop Stewart, Toronto; G. A. Dobbie, Galt; F. T. Webb, Montreal.
	1940	921,000	419,144	157,313	104,000	61,429	4.95	....	0.77	Nil	61,429	761,792	12½	5	..	
	1939	801,000	287,848	86,317	27,956	35,455	2.62	....	0.44	Nil	35,455	621,902	..	..	..	
Monarch Knitting	1941	Nil	182,283	35,000	75,000	72,283	....	9.64	1.55	Nil	19,783	899,270	2	1½	2	J. A. Burns, pres.; F. R. Lalor, Dunnville, Ont.; F. J. Coombs, vice-pres.; F. C. Deacon, G. C. Biddle, Toronto.
*Deficit.	1940	Nil	188,875	35,000	107,000	46,875	....	6.25	*0.44	Nil	*5,625	846,081	6	2	..	
	1939	Nil	166,406	35,000	30,158	93,066	....	12.41	3.18	Nil	93,066	833,141	3½	1	..	
Montreal Cottons	1941	346,988	2,469,106	500,000	*1,290,000	514,743	108.35	17.16	10.16	4.00	184,743	2,806,445	67	55	67	G. B. Gordon, pres.; William C. Finley, vice-pres.; W. G. E. Aird, man. dir.; J. P. Black, Hon. C. A. Dunning, Charles Laurendeau, E. A. Robertson, Montreal.
*Income tax.	1940	368,888	1,340,582	400,000	*533,000	344,383	48.36	11.48	4.48	4.00	14,383	2,384,580	81	85	..	
	1939	377,648	1,247,700	400,000	*164,000	522,473	42.52	17.42	10.42	2.00	252,473	2,264,701	60	33	..	
Ontario Silknit	1941	Nil	521,319	135,475	158,335	129,269	....	11.44	0.89	Nil	90,703	1,003,840	3	..	3	M. H. Epstein, pres.; W. B. Milner, vice-pres.; H. B. Epstein, C. H. Burgess, E. G. McMillan, Toronto; George Epstein, Sydney, Australia.
	1940	Nil	478,968	148,321	114,339	113,620	....	9.87	0.48	Nil	91,287	876,816	5½	2	..	
	1939	Nil	338,290	110,446	34,625	73,162	....	5.77	Nil	Nil	73,162	799,293	..	..	..	
Penmans	1941	1,579,500	1,315,078	225,000	590,000	347,582	11.42	32.33	4.39	3.00	89,528	2,776,795	52	46	47	A. F. Baillie, pres.; H. W. Lundy, vice-pres. and gen. mgr.; C. B. Robinson, sec.-treas.; J. N. Laing, H. B. MacDougall, J. P. Black, G. W. Grier, G. B. Gordon, Montreal.
	1940	1,674,500	1,205,073	200,000	500,000	357,328	10.20	33.24	4.54	3.00	99,274	2,627,679	72	46	..	
	1939	1,706,500	797,802	200,000	125,000	328,207	5.80	30.53	4.09	3.00	70,153	2,556,300	65	38	..	
Regent Knitting Mills	1941	400,000	603,359	142,259	†38,047	54,487	6.77	3.41	0.44	0.25	12,635	1,094,565	5	3	5	C. G. de Tonnancour, pres. & man. dir.; Jean Rolland, vice-pres.; J. V. Desaulniers, G. G. Ryan, J. E. Savard, H. J. Ross, de Gaspé Beaubien, Montreal; H. Holdroyd, Toronto.
*After providing inventory reserve of $110,000. †Income tax.	1940	450,000	*636,958	137,637	†63,349	115,542	11.49	7.22	1.38	0.25	73,690	982,040	6	3	..	
	1939	475,000	420,728	79,906	†10,324	43,597	4.19	2.72	0.28	....	43,597	841,308	7½	2	..	
Riverside Silk Mills	1941	Nil	*74,282	......	......	74,282	....	2.48	0.71	2.00	14,282	513,565	24	15½	23	E. M. McCormick, pres.; D. W. McCormick, vice-pres.; G. H. McCormick, C. A. McCormick, Galt, Ont.; F. J. Coombs, Toronto.
*After deprec. and income taxes. †Deficit.	1940	Nil	*53,484	......	......	53,484	....	1.78	†0.33	2.00	†16,516	433,521	28	16½	..	
	1939	Nil	*80,742	......	......	80,742	....	2.69	1.04	2.00	10,742	401,109	28	22½	..	
Stanfields, Ltd.	1941	100,000	*129,006	......	......	129,006	....	....	12.90	6.00	79,006	1,518,588	..	..	..	F. T. Stanfield, pres.; C. E. Stanfield, vice-pres.; A. J. Campbell, H. T. Bethel, J. F. Fraser, Halifax.
*After bad debts, deprec., taxes, etc.	1940	120,000	*137,201	......	......	137,201	....	....	13.72	2.50	112,201	1,452,575	..	..	..	
	1939	140,000	*129,650	......	......	129,650	....	....	12.97	5.00	79,650	1,359,805	..	..	..	
Supersilk Hosiery Mills	1941	Nil	......	......	......	66,934	....	13.74	0.42	Nil	42,344	549,655	..	..	..	W. S. Thompson, pres.; J. D. Good, vice-pres.; A. S. Thompson, gen. mgr.; J. G. Thompson, sec.-treas.; R. W. Robertson, W. L. Barager, W. H. McPhillips, T. W. McFarland, Miss M. O'Donnell, London, Ont.
	1940	Nil	......	......	......	72,377	....	14.70	0.48	Nil	47,699	447,554	3½	2¾	..	
	1939	Nil	......	......	......	84,333	....	17,13	0.59	Nil	59,333	270,337	4¼	2	..	
Tip Top Tailors	1941†	Nil	565,024	123,879	*150,803	224,497	....	22.30	1.28	0.60	81,985	1,509,012	10	6	6¾	David Dunkelman, pres. and gen. mgr.; Rose Dunkelman, vice-pres.; H. P. Mackechnie, B. Dunkelman, J. B. Dunkelman, R. A. Daly, Toronto; A. Miller, Hamilton.
*Income tax. †For year ended Jan. 3, 1942.	1940	Nil	1,006,819	179,384	*371,612	219,393	....	21.74	1.24	0.60	76,667	1,490,661	13¼	9½	..	
	1939	Nil	492,210	112,502	*68,519	253,004	....	24.99	1.51	0.60	109,615	1,407,614	15	8½	..	
Tooke Bros.	1941	110,300	142,570	27,433	29,772	43,403	9.75	4.41	d2.93	Nil	43,404	450,588	1½	1	1	W. M. Weir, chm.; H. H. Woodward, pres. and man. dir.; W. G. Hanson; G. A. Blundell, sec.-treas.; H. J. Trihey, C. W. MacLean, G. H. Imrie, Montreal.
d—Deficit.	1940	135,400	102,759	26,137	15,000	26,068	5.28	2.65	d4.92	Nil	26,068	417,648	3	½	..	
	1939	150,400	42,971	10,000	......	91	1.12	0.01	d7.89	Nil	91	376,612	3½	½	..	
Wabasso Cotton	1942*	2,050,000	2,985,814	549,243	1,535,698	749,988	25.84	....	10.73	2.50+.50	540,279	2,341,372	44	23½	39	C. R. Whitehead, pres.; W. J. Whitehead, man. dir., Three Rivers; Hugh MacKay, vice-pres.; Norman J. Dawes, W. Taylor-Bailey, Montreal; Hon. Lucien Moraud, Quebec, P.Q.; William Harty, Kingston.
Years ended: *May 2; †Apr. 27.	1941*	2,050,000	2,258,212	474,952	1,067,822	568,216	17.26	....	8.13	2.00	428,410	1,869,947	37	22	..	
	1940†	2,225,000	1,737,370	490,116	438,346	576,862	11.46	....	8.25	1.38	480,396	1,906,356	33	12	..	
Woods Manufacturing	1941	495,000	837,668	221,683	*231,000	114,883	26.50	7.47	0.46	Nil	114,883	1,530,886	..	..	..	W. A. Eden, pres.; A. M. Irvine, vice-pres.; R. M. Stott, sec.-treas. and gen. mgr. bag div.; R. W. Steele, Harold Crabtree, Montreal; G. S. Browne, Westmount, Que.; S. E. Woods, Ottawa; Glyn Osler, Toronto.
*Income tax. d—Deficit.	1940	540,000	550,185	119,096	*140,000	55,599	17.33	3.64	d3.00	Nil	55,599	1,171,931	..	..	..	
	1939	580,000	263,610	73,425	*40,000	99,020	6.79	6.48	d0.47	Nil	99,020	936,582	..	..	..	
York Knitting Mills	1941	800,000	477,259	114,303	142,000	134,935	10.01	89.96	0.45	0.40	11,830	1,366,302	5½	4	4	J. D. Woods, pres. and man. dir.; W. B. Woods, vice-pres.; W. A. Clarke, sec.; H. W. Lawson, H. M. Reedy, Toronto; K. W. Harvey, Woodstock, Ont.; W. P. Walker.
	1940	850,000	524,334	110,096	130,000	171,467	10.97	114.31	0.61	0.30	71,263	1,302,364	11	5½	..	
	1939	900,000	470,342	94,807	76,000	260,014	9.50	173.34	1.00	Nil	228,514	1,273,745	8	4	..	

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The WABASSO COTTON COMPANY,
LIMITED
THREE RIVERS, QUE.

Textile Workers Reach New Peak

Total employment in the primary and secondary textile industries reached a new peak level of 141,328 persons on Jan. 1, 1942, an increase of 36.2% over the pre-war total of 103,741 workers.

On Jan. 1, 1942, there were 84,989 employed in the primary section including cotton, wool, rayon and knitted goods manufacturing, as compared with 63,527 before the war. In the secondary manufacturing industry comprising men's and women's clothing and men's furnishings industries 56,369 were employed at the beginning of this year as compared with 40,214 on Sept. 1, 1939.

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Makers of

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All types of knitted underwear and lingerie for men, women and children.

OUTERWEAR
Sweaters, pullovers, polo shirts, etc., for men, women and children.

HOSIERY
Men's socks, Women's full-fashioned and circular stockings, Children's hose.

BATHING SUITS
For men, women and children.

YARNS
Cotton, woollen, mixtures, worsteds.

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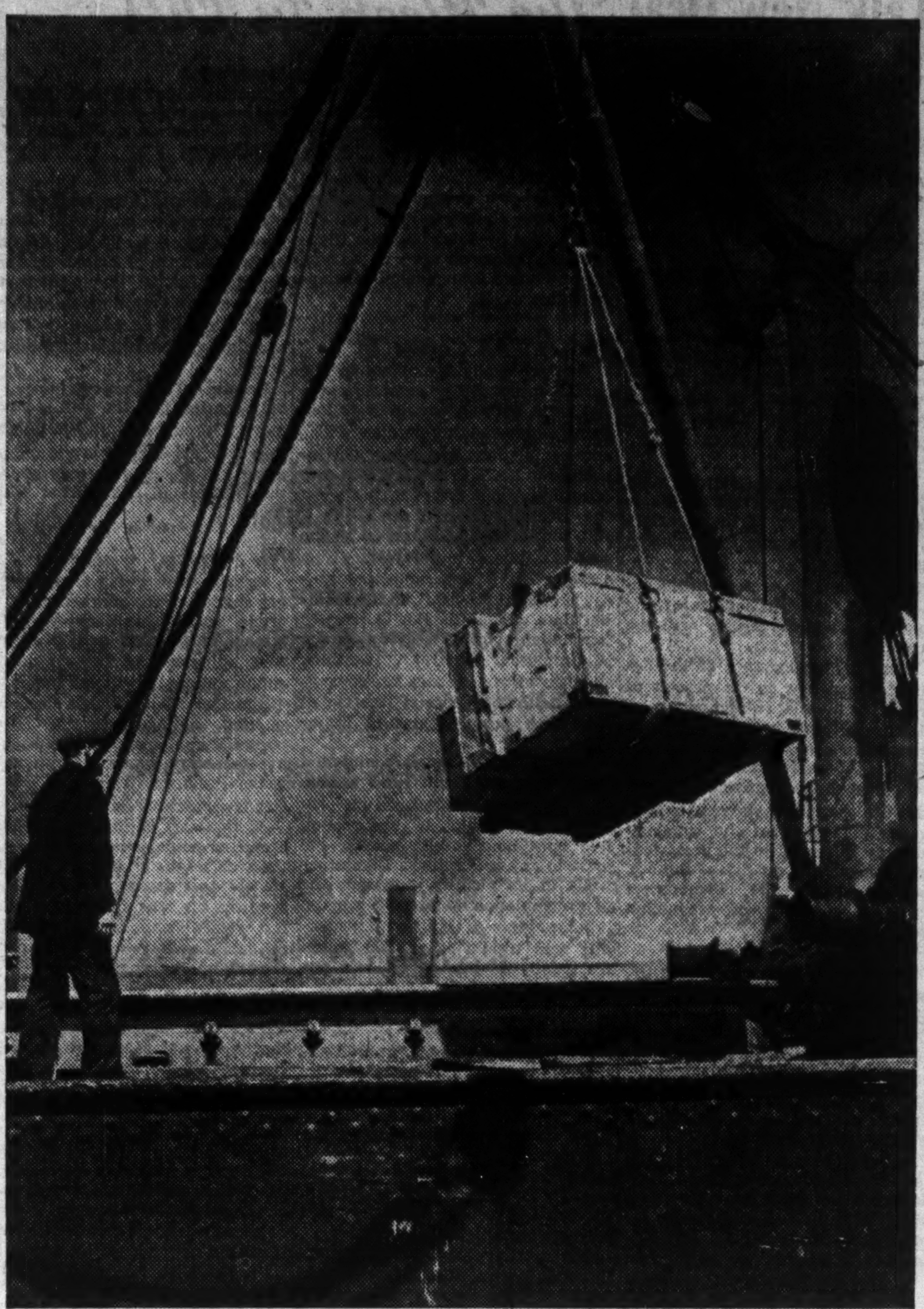

—Photo Public Information.

Although Canada still imports most of her raw materials, exports of finished goods, uniforms, covers for guns and trucks, anti-gas equipment, etc., are going up rapidly. Here the civilian consumer gets a glimpse of where his war dollars are going—a ship loading for overseas.

New Regulations Hit Plant Expansions

While wartime restrictions have thickly hedged the erection of new buildings and purchases of machinery the textile industry continued its programme of physical expansion during 1941. New plants have been erected for the production of nylon, asbestos and linen yarns. Expenditures during the year totalled some $12 millions, including cost of erecting new plants, additions to existing plants and installation of new equipment.

Among those companies in which there is an investment interest one of the most outstanding additions of the year was that of Canadian Celanese Ltd. through its $2.5 millions nylon plant at Kingston. The same company is expanding its Drummondville plant for the production of Fortisan yarn and Celanese staple fibre. Dominion Textile has paid out around $1 million for 400 looms along with an addition to the Montmorency Falls plant and other modernization work. Montreal Cottons Ltd. spent $311,125 during 1941 on new machinery for additions and replacements.

Penmans Ltd. was another heavy spender in 1941, with additions and improvements spread over the various plants costing over $140,000. Dominion Woollens & Worsteds Ltd. continued its modernization programme to the tune of $125,000. Canadian Cottons erected an addition to its Cornwall mill which, along with new equipment cost it $273,000. Mercury Mills Ltd. maintained its plant and equipment with expenditures of $111,000. Guelph Carpet & Worsted modernized its steam plant for $100,000.

Private companies followed a similar trend in improving their operations to meet pressing wartime demands for their products. Ayers Ltd. established a new spinning plant at Lachute Mills, Que., for the manufacture of asbestos yarn at a cost of $130,000. Flax Industries Ltd. erected a plant at Drummondville for the making of linen yarns. Montrose Woollen Mills Ltd. put up a plant at Granby, Que., with 10,000 square feet of floor space for the manufacture of worsted fabrics.

Capacity for producing rayon staple fibre yarns has been appreciably increased. The new unit of Dionne Spinning Mills Ltd. at St. George de Beauce, Que., is in operation while the staple fibre spinning plant in the Sherbrooke rayon division of Dominion Textile Co. began operations in August.

Throughout the industry many mills modernized their steam generating equipment along with some sizeable installations of electrical equipment to meet expanding production.

The present situation is that wartime regulations on new plants and restrictions on machinery have forced postponement of many extensive plant modernization programmes. Expectation is that for the duration the textile industry will have to get along with very little new machinery and make the best of that now operating.

Many Classifications For Wool Products

With demand sharply increased for woollen goods, names of the different classifications of wools have become of more general interest. The term "wool" by itself means fibres which have never been reclaimed from any woven or felted wool product. However "new" or "virgin" wool means wool that has never been used or has never been reclaimed from any spun, woven, knitted, felted, or manufactured product.

Reworked or reclaimed wool can be divided into the two classes of reprocessed and reused wool. Reprocessed is wool that has been made up into merchandise but has never been used by the consumer or is wool which has gone through some of the processes necessary to make it into yarn. It is however, again reduced to a fibrous state and remade into some wool product. Reused wool is wool which after having been made up and used by the consumer is again reduced to a fibrous state and remade into merchandise.

Some grades of reworked wool, such as that recovered from good quality knitted wear, have better value than lower quality new wool and often command higher prices. If the yarn is well spun and the fabric well constructed combinations of reclaimed wool with new wool or other fibres will give satisfactory wear for years.

In wool fabrics there are two classes, worsted and woollen. To make worsted yarn, wool fibres from two to five inches or more in length are combed parallel to one another before they are spun. Because the smooth surface of worsted resists wear it is an excellent clothing fabric for business and school wear. Woollen yarn is made by carding the fibres, allowing them to lie in all directions. The yarn is less even than worsted and fuzzier in appearance because the fibre ends protrude slightly. Woollen yarns are softer and more elastic but not as strong as worsted. Most flannels, broadcloths, meltons, velours, kerseys and mackinaw fabrics are woollens. Other woollen fabrics have their effect created by weave, yarn construction or color, as in tweeds. Generally, woollens do not wear shiny but some get "baggy" because of the looseness of the yarn or weave.

To Save 10% On New Dresses

Officially sponsored simplifications in women's wear resulting in the production of "A-61" dresses, named after the order number, are expected to allow the manufacture of at least 10% more garments out of the same yardage as presently used. Despite the new restrictions, it is stated that there is still ample room for manufacturers to offer a wide variety of styles.

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Mining Men Voice Criticism Of War Metals Programme

Dissatisfaction with Canada's programme and methods for securing increased production of strategic minerals is being heard in some mining circles. It is being voiced by a number of executives of producing mining companies as well as the small mine developer.

The opinion being commonly expressed is that present prices of strategic minerals will not result in the turning out of anything like the amount of these minerals Canada would normally require, let alone the amounts required for wartime needs. It is admitted that recent increases made in the prices of tungsten, cobalt and molybdenum have been helpful but they are regarded as only a "drop in the bucket" to what will be required if output is to be stepped up on a large scale.

Deposits Low Grade

Most of Canada's remaining war metal deposits are low grade or marginal, it is pointed out, and tax concessions will not necessarily mean any production from properties which cannot at present be worked on a break-even basis. In molybdenum, Canada has over 400 showings and it is claimed that a large number of these would be placed in production, giving a substantial output, if a high enough price were paid for this metal. A number of mining men are critical of the making of special price deals with the Metals Controller on each individual property.

As the situation stands, it is pointed out, no one knows what they can get for any metal turned out unless they have completed a special deal ahead of time or are in intimate touch with the Metals Controller. What a number of men interested in strategic minerals want is a generally higher level of strategic metal prices open to everyone.

An 'Excess Profits' Angle

If it is thought that some individuals might make too much money through the working of a high grade deposit, the suggestion is thrown out that it would be very simple to arrange a special tax to siphon off a portion of profit over a certain amount. A general offer could be worked out, it is suggested, which would be open to everyone.

If higher prices were paid for strategic minerals, it is claimed the Dominion Government might avoid much of the capital expense of erecting plants.

Shareholders a Factor

While Ottawa has asked the mining industry to stop "leaning on the government" on some occasions, the mining men feel that they are not doing this in asking for higher metal prices.

Mine managements usually represent thousands of shareholders and without special authorization from shareholders, many managements do not feel justified in undertaking development of properties that won't stand up under the ordinary commercial appraisal. If higher prices for metals are given and companies should realize extra earnings, the government would stand to gain from the corporation tax and personal income tax levies.

"Freezing" Criticized

While the people interested in strategic minerals are concerned over the price situation, that is not the only point causing concern. One millionaire mining man tells The Financial Post that after reading the latest "freezing order" affecting the mining industry, he immediately lost interest in base and strategic metal propositions he had been considering. With the new regulations calling for special permission from the Metals Controller to dig for any kind of mineral, it was felt prospecting must be suspended.

While it was felt that there was no intention to cut off prospecting for strategic minerals, strict interpretation of the regulations would mean that prospecting would have to be suspended.

Even when a new find is made, it is necessary to secure permission before equipment can be secured to carry out any further development on a property. Many of the developers seem to consider this a hindrance.

Mining INVESTMENTS

U. S. Bureau of Mines has developed two new processes which may prove of great significance to Canada as well as the United States.

One process involves beneficiation of low grade chrome ores while the second is an electrolytic method for recovering high grade chromium metal from U. S. domestic ores. Taken together, the two processes are expected to speed the flow of chromium to war plants in unprecedented volume from U. S. domestic sources.

Canada is interested in the chromium picture as a consumer and as a producer of chromium products at the Sault plant of Chromium Mining & Smelting Corp. While the new processes may overlap somewhat with those of Chromium Mining & Smelting, it is possible that a more adequate supply of raw material may now be opened up for the company's work. Chromium is used in manufacture of armor plate, armor-piercing projectiles, high-speed tool steels and other essential war materials and opening up of more adequate supplies of this strategic metal will be good news in Canada as well as the United States.

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Another war casualty was added last week to the list of dividend-paying Canadian gold stocks which have been forced to reduce their dividends due to the war.

Toburn Gold Mines, a Kirkland Lake producer, will not pay its usual extra of a cent a share along with its regular quarterly dividend of three cents. Earnings were obviously affected by the strike in Kirkland Lake so reduction in dividend rate does not come as a surprise.

With operations back on a more normal basis now, it appears that the company has a good chance of at least maintaining its regular dividend distribution of three cents a quarter. Production for the first five months of this year, however, was only $333,523 compared with $492,205 the corresponding period of the previous year. An improvement in this rate of production is to be expected if the labor and supply situations do not "kick over the traces."

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Interesting information on trends in mining activity is provided in the statement of Canada Northern Power Corp. for the 12 months ended May 31, 1941. Concerning activities in areas the company supplies with power, the general manager reports as follows:

"While operations at the various gold mines in the territory served by your company are somewhat curtailed, owing to difficulties in obtaining necessary supplies, there are growing indications of increases in the production of base metals, notably copper and zinc in northern Quebec.

"The 600-ton mill at the property of Golden Manitou Mines in Bourlamaque Township has been completed and is expected to be in operation by the time this report reaches the reader.

"In the Malartic area, the mill of West Malartic Mines was placed in operation in June, thereby materially increasing the power load at that property.

"Mic-Mac Mines whose property is situated in Bousquet Township, midway between Rouyn-Noranda and Cadillac camps, has also completed construction of the mill, which is expected will be placed in operation in a few days.

"Work has been commenced on the construction of an additional transmission line from Noranda to the property at Waite-Amulet Mines to accommodate increased production of zinc concentrates."

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Quoted value of all mining stocks listed on the Toronto Stock Exchange showed a decline in June. The total value of these stocks was $1,113,713,548 at June 30, a decline of $47,866,414 or 4.1% below the end of the previous month.

Base metal issues and producing golds both sold off narrowly. But prospect golds were around $250,000 higher at $3,326,960 while miscellaneous mines were also close to $500,000 better at $29,824,618.

Clonmel No. 1 Well Gets Encouraging Indications

Following geological and geophysical surveys made over a period of years, a development programme that centres on the immediate drilling of three test wells has been launched by Clonmel Petroleums (Ontario) in a new western area, known as the Bruederheim-Lamont structure, 37 miles northeast of Edmonton.

The first of the wells, Clonmel No. 1, is now drilling at 2,400 ft. and reports from A. F. Mewburn, field superintendent, indicate that the subsurface operations corroborate the findings of the surveys.

Extensive Preliminary Work

The geological work was done by Dr. Barnum Brown of the American Museum of Natural History in New York, whose studies of the geological formations of Alberta go back to 1909. He made analyses not only through ground surface geology but also through aerial surveys of 45,400 square miles.

His findings were corroborated by Dr. E. H. Vokes and R. T. Bird, both of the American Museum of Natural History, and M. S. Blackburn of San Antonio, Texas.

Both the geological and geophysical results suggested the Bruederheim-Lamont structure as having distinct oil possibilities at a comparatively shallow depth.

Mining Enquiries

Freezing Effects

What effects will the new freezing order on Canada's mining industry have on producing gold mines? A large part of my income is derived from gold stocks so you can understand my apprehension over anything that might possibly wash up this industry.

A prominent mining man informed The Financial Post this week that the new "freezing" order affecting gold mines was not expected to force dividend reductions by any individual gold mining company although it would undoubtedly force the closing down of any remaining developing gold mines. In other words, gold mines have not been "washed up" through any action taken by the government.

A gradual tightening of the supply and labor situations across Canada seems to offer a potential danger to operating gold mines, however. It is admitted that more miners are going to be needed in the base metal mines and taking them from gold mines may be the only solution possible to this problem. The gold mines can get along with less labor if necessary, but there are limits to economies that may be made in the use of labor, such as letting current repairs go, suspending development, etc. So far, it is indicated that the gold mines' position as regards labor is more difficult than the situation with regard to supplies for continuing the current level of operations.

Developments in the war come so rapidly that it is impossible to say just what will happen next. It is hoped that gold mines will be able to weather the storm satisfactorily, but we can give no definite assurance on this score.

Two Base Metals

I am considering purchase of shares of Consolidated Smelters and Noranda Mines in the hope of securing capital appreciation, based chiefly on expectation of a higher dividend return. Will you give me some information on the two companies and your comments on my proposal.

While both Consolidated Mining & Smelting Co. and Noranda Mines have shown satisfactory earnings so far during the war, and there is currently no indication of a downtrend in profits of either company, war is bringing sharp changes in the affairs of even the best-managed Canadian companies and Consolidated Smelters and Noranda are no exceptions in this regard.

If no sharp increase in taxation takes place, and operating costs remain around present levels, it would appear that both Consolidated Smelters and Noranda will be more than able to meet their dividend requirements for the duration of the war. It is assumed that the Dominion Government will see that both of these companies receive all the supplies of labor and material necessary, as producers of war essentials. After the war, a new set of factors will govern.

As far as appreciation of capital is concerned, the 100% excess profits tax clause laid down in the new budget seems to rule out big profits and any great chances of capital appreciation. However, shares in both companies may represent good hedges against inflation over the long term.

In the case of Consolidated Smelters, large capital expenditures may restrict the company in payment of dividends but so far the rate of distribution in effect last year has been maintained.

New plants being erected are expected to be invaluable after the war. Noranda is not undertaking any major expansion just now and will probably emerge with a considerably stronger financial position after the war.

Postwar planning now being carried on is an important factor in earnings of both Consolidated Smelters and Noranda after the war. The level of industrial activity generally and the demand for metals arising out of postwar activities will be all-important to both companies. Fortunately, they both enjoy relatively low costs and are likely to weather postwar maladjustments relatively well.

Oil Royalties

Would you kindly advise me if it is possible to regard oil royalties as grade A investments. I am considering purchase of some producing royalties to secure a large assured income and would appreciate any comments you care to make about royalties which are frankly still very much a mystery to me. What types of royalties are there?

While many investors have had satisfactory experiences with producing oil royalties, it would seem wise to classify them as speculative investments rather than as investments in the way that government bonds and "blue chip" stocks are usually regarded.

Returns on oil royalties are necessarily completely dependent on production from the individual oil well and this production may fluctuate due to a change in any of a number of factors. The most important factor in considering any individual producing oil well, is the fact that production can be expected to decline gradually as the oil and gas resources of the well become depleted. For this reason, perhaps, the major part of payments on oil royalties should be considered as a return of capital and not income.

Just now there is no trouble whatever in marketing Turner Valley oil and this situation is expected to continue at least for the duration of the war. Conservation plans and the occasional changing over of an oil well to a gas well can also be important factors in determining returns for the individual well, it should be remembered.

There are several types of oil royalties on the market in Canada—gross, net preferred and deferred royalties being the best known.

It might be well to warn you that returns of the net preferred royalties usually take a sharp drop when a certain amount of preference—as represented by the original sale price of the preferred unit — has been paid off. Consequently, if you should seriously consider purchase of a net preferred royalty you should ascertain the amount of preference remaining to be liquidated, and the likely decline in rate of returns when this preference is paid off.

Talk New Deal For Steep Rock

Negotiations Terminated With Cleveland-Cliffs But Another Group Interested

Termination of financing negotiations with Cleveland-Cliffs Iron Co. and commencement of new negotiations with "important Canadian and United States interests, both mining and financial," interested in the Steep Rock project, is announced by Steep Rock Iron Mines in a letter to shareholders from D. M. Hogarth, president.

Commenting on the new turn of events, Mr. Hogarth states: "It is now the intention of the directors to pursue the contacts already made and to complete arrangements in which national interests and the interests of the shareholders of the company and of capital will be protected.

"Pending the issuance of the detailed report now in the process of preparation, the directors have pleasure in assuring the shareholders of the company that the programme of exploration work now completed fully confirms and has added to the information previously in the possession of the company not only in regard to the great tonnage and unique quality of the ore, but also as to the development plans and costs thereof, production costs, and markets."

Why Deal Not Completed

Negotiations with Cleveland-Cliffs Iron Co. were broken off after a revised offer was submitted which Steep Rock directors and their consultants did not feel was "commensurate with the value of the property as established through the extensive programme of exploration recently completed."

Included in the letter to Steep Rock shareholders is a copy of Mr. Hogarth's letter to the Cleveland-Cliffs interests. The reasons for terminating negotiations, as outlined in this letter, are as follows:

"1. The amendment proposals definitely invade the fundamental principles involved in the proposals advanced by you and accepted by us last December.

"2. The amended proposals made no provision for our protection against inordinate inflation during the currency of the proposed lease.

"3. The amended proposals did not allocate to Steep Rock an equitable share of the substantial spread between the computed costs of production and the selling price of the ore."

The new interests had independently indicated their desire to undertake Steep Rock financing and development while negotiations were still under way with the Cleveland-Cliffs interests.

Siscoe To Work "Extension"

Given Majority Stock Interest in New Company—Finance by Advances

Under a deal between Siscoe Extension Gold and Siscoe Gold Mines the latter is expected to finance development of the former's property after a new company is formed. This is revealed in a lettter to Siscoe Extension shareholders from J. Bradley Streit, president, accompanying notice of special meeting July 21 in Toronto.

Under the deal submitted for shareholders aproval, Siscoe Extension Gold will sell the property held by its subsidiary, Siscoe Extension Holdings, to a new company on the basis of one share of the new company for each 10 Siscoe Extension Gold shares outstanding, or 236,251 shares.

Siscoe's Interest

Siscoe Gold Mines is to receive two shares for each share issued to Siscoe Extension Gold or a total of 472,502 shares. Reflecting the majority interest Siscoe Gold Mines will hold, it will elect three of the five directors.

Siscoe Gold Mines is to have complete direction of developing the properties now held by Siscoe Extension Holdings and all the money advanced by Siscoe for work is to be returned without interest out of production. Siscoe is to expand its mill capacity to take care of the additional ore from the new property, it is stated, and the cost of milling is to be the same for the new company as for Siscoe itself.

Deal Considered Best

Discussing the proposed deal, Mr. Streit states that alternative courses were weighed carefully before the agreement was made with Siscoe Gold Mines. By relinquishing control, it is felt that development can be carried on more economically and efficiently, and that the property will be speedily brought into production if this is warranted.

Ore which could not be milled at a profit in the smaller operation should show an immediate profit when milled on the same basis of calculation per ton as the ore of Siscoe Gold Mines at its present mill, it is stated. There will have to be no dilution of the stock of the new company as finances will be provided by Siscoe by way of advances.

The Week In Oils

From Our Own Correspondent

CALGARY.—Two more large producers, each capable of a flush of around 1,000 bbls. per day after preliminary light acid treatment, in the north Turner Valley extension, the operation of a shallow test in the Taber area at between 210 and 370 bbls. per day—these are the highlights and the good news in the survey of western Canadian oil development this week.

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Major Well Comes In

The two wells completed in the north Turner Valley extension area last week both appear likely to join Canada's top-ranking producers. The new completions are: Major Oil Investments No. 7, in L.S.D. 7 8-21-3w5 offsetting Major No. 4 to the west; and Foothills No. 10, in L.S.D. 2 4-21-3w5, offsetting Miracle 1 to the east and Major 9 to the west.

Major No. 7 was completed at a depth of 8,441 ft., 486 ft. in the Madison lime. Foothills No. 10 reached completion at 8,352 ft., 1,733 ft. in the Madison, after penetrating two thick and two narrow porous zones, compared with the "normal" section of two thick porous zones at Major No. 7.

New north extension completion Major Oil Investments No. 7 was no "gusher" when first placed on production last week. It gave around five bbls. hourly with booster gas prior to any acidization. Like other wells in its vicinity, however, the new completion is rapidly moving into the "big well" class with systematic acid treatment. A 500 gallon treatment of "mud acid" was applied to clean the formation walls.

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Flow Steps Up

When it kicked off, the well returned input oil and spent acid by 9 p.m. and produced 496 bbls. of new oil with aid of booster gas in the 11 hours. While the figures given represent purely flush production, there now seems little doubt but that the new Major well will rank among the top few producers in the field following completion of acidizing.

The latest available report, clearly indicates Foothills No. 10 well is going to rank among the north extension's top producers. The well was kicked off with an initial of 34 bbls. hourly with booster gas aid and was given an initial acid treatment of 1,500 gallons to the lowest porous zone.

The well started off around 48 bbls. hourly with booster gas after returning input oil and, after the compressor was cut off, started yield on its own at an initial flush of 43 bbls. hourly.

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Taber Well Promising

The recently completed Taber-Province No. 1 well, owned jointly by Standard Oil of British Columbia and the Nassau Exploration Co., went on steady production on July 5 after a few days' testing had indicated a probable commercial oil producer.

Results of operations since not only confirm that the well is a commercial producer, but also indicate that it is the largest crude oil producer yet placed on steady production outside of the Turner Valley field.

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No Signs of Water

As soon as necessary arrangements are made for the marketing of the crude, which is a heavy sweet oil testing between 17 and 18 degrees API, shipments of the oil now in sumps and tanks will get under way.

Standard Oil officials are now making arrangements for heavy pumping equipment and, as soon as a satisfactory type is secured, the Taber-Province well will go on steady operation on the pump.

At the start of the swabbing test Standard engineers anticipated that the well might be capable of 100 to 150 bbls. per day on the pump. Judging from the rate of oil influx during last week's swabbing test, the yield on pump will probably be nearer the 150 bbl. mark than the 100. Incidentally, careful tests show absolutely no evidence of water in the oil recovered last week, indicating that the operators were successful in shutting off the water-bearing horizons above and below the Sunburst Oil Sand. (Other wells drilled in the Taber Area in past years also found promising looking oil sands, but with the exception of Plains Pete No. 2 were unable to shut off sufficient water zones to prevent flooding of the oil-bearing sections). Plains No. 2 did not shut off all water, but is nevertheless producing around 1,000 bbls. per month of crude oil, with a water yield of 3,000 to 4,000 bbls.

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By arrangement with the Conservation Board, the "temporary quota" of 400 bbls. assigned Major Oil Investments No. 9 under the July schedule has been increased to 600 bbls. daily. The well was shut in at 3 p.m. Thursday for bottom hole pressure test. The well's first regular allotment will be determined after completion of this test.

Two "Imperial" Tests

Continuing to expand its prospect drilling programme, Imperial Oil this week staked two more tests on the central Alberta plains. These, and future operations, will be drilled under the "Imperial" name. Previously staked wells have been drilled under the name of the "Northwest Co.," Imperial's development subsidiary.

The new wells are: Imperial-Tilley No. 6, to be drilled in L.S.D. 16 7-17-12w4, three eighths of a mile southwest of Tilley No. 2 (the light portable rotary from Tilley No. 5, abandoned this week, will be used); Imperial-Monogram No. 1, to be drilled in L.S.D. 14 24-16-10w4, 17 miles southeast of of the Tilley operations (the light rotary from Northwest-Jenner No. 1, which was abandoned this week will be used).

Word from the Vermilion field this week indicates that O'Sullivan No. 1, important north extension test, has reached its Lower Cretaceous oil sand objective around 1,730 ft. It is expected that casing will be run and production test started in a few days. Two recently completed Vermilion wells are now on production. Alberta Southern No. 1 was placed on pump June 27 and Meekin No. 1 started pumping July 4. Initial production at each well is estimated at 30 bbls. per day. Location is being surveyed for a new well, Midfield No. 2, about half a mile west of O'Sullivan No. 1 in L.S.D. 1 1-51-6w4.

Oil Royalties

Producing Wells — Prices and Payments

	July daily allow. bbls.	June daily allow. bbls.	Mar. roy. pay. 1% $	Apr. pay. 1% $	May pay. 1% $	Paid to May 30 1% $	Dealers offering price† 1%
Ace. No. 1 gross	538	539	264.90	242.98	241.82	2,679.13	$7,700
Alta. Oil Inc. No. 1 gr.	76	109	65.60	53.20	52.40	3,347.20	1,600
Do., 1 net	76	109	56.00	44.40	42.00	3,876.80	1,100
Do., No. 2 gr.	518	573	251.20	229.20	252.80	4,824.80	8,600
Do., No. 2 net	518	573	229.20	208.80	231.60	4,877.00	6,900
Allied No. 1 pfd.	100	100	50.17	44.63	42.80	529.69	1,600
Arrow No. 1 net	156	163	85.20	77.20	78.00	1,215.60	1,900
Do., No. 2 net	196	203	86.00	76.40	94.00	1,138.20	2,300
Atlas No. 1 net pfd.	120	125	....	8.80	35.60	44.40	2,100
Atlas-Br. D. No. 2 pfd.	699	746	....	....	466.80	466.80	10.500
D. & D. net pfd.	75	80	41.20	34.40	36.40	1,671.00	1,500
Drill. & Prod. No. 3 p.	125	135	....	....	....	......	2,300
Independent No. 1 p.	235	245	152.64	150.65	148.99	1,468.87	4,100
Do., No. 1 gr.	235	245	109.66	107.84	107.09	1,573.23	4,300
Major Oil No. 1 pfd.	129	146	92.00	74.00	77.60	380.40	1,800
Do., No. 1 gr.	129	146	79.20	71.60	72.40	1,255.60	2,100
Do., No. 2 pfd.	623	708	485.20	446.80	430.40	3,071.40	7,200
Do., No. 2 gr.	623	708	367.60	334.40	331.20	3,263.60	9,400
Do., No. 2 dfd.	623	708	....	....	....	......	6,000
Do., No. 3 pfd.	840	850	638.40	549.20	534.00	4,195.60	8,300
Do., No. 3 gr.	840	850	456.00	406.00	396.00	3,754.40	....
Do., No. 4 pfd.	304	480	165.60	384.40	325.20	1,220.40	4,700
Do., No. 4 gr.	304	480	341.20	276.40	248.00	1,624.00	6,000
Do., No. 9 gr.	400	....	....	....	....	......	8,800
Do., No. 9 pfd.	400	...	....	....	....	......	7,500
Miracle No. 1 pfd. net	453	643	500.13	456.48	414.82	3,892.05	5,500
Do., No. 1 gr.	453	643	347.22	316.47	296.21	3,526.40	9,400
Do., No. 2 pfd.	280	473	....	78.69	239.30	317.99	5,000
Sunset No. 1 gr.	99	101	52.23	58.41	48.40	6,817.87	1,900
Do., No. 2 gr.	80	80	43.15	39.57	37.29	6,806.76	1,900
Twin Valley No. 1 gr.	160	168	82.35	73.15	80.19	1,881.50	4,300
Vulcan Brown gr.	110	117	85.70	72.80	67.70	8,622.72	4,300
Do., net	110	117	52.16	54.43	44.25	4,843.89	3,100
Winalta No. 1 pfd.	96	100	72.80	54.40	72.00	3,259.10	1,200
York No. 1 gr.	89	90	46.69	44.84	43.10	4,688.11	2,250
Do., No. 2 gross	75	75	43.55	54.20	34.22	1,516.76	2,250

†Approximately 20% below dealers' bid prices usually.

Drilling Wells — Prices and Depths

	Drilling depth ft.	Offering price per 1%		Drilling depth ft.	Offering price per 1%
Adanac, pfd.	3,316	*$4,375	Major Oil, No. 12 gr.	8,885	$4,800
Atlas Br. Dom., No. 3 p	4,553	*4,375	Miracle, No. 3 pfd.	5,596	5,800
Bonaventure, pfd.	6,365	4,500	Northclon., No. 1 pfd.	3,425	*4,375
Lion-Davies, No. 1 pfd.	2,814	*4,300	Northclon., No. 1 gr.	3,425	6,500
Major Oil, No. 6 pfd.	5,630	6,400	Northend, No. 1 pfd.	7,478	4,800
Major Oil, No. 6 gr.	5,630	8,100	Northend, No. 1 gr.	7,478	5,700
Major Oil, No. 7 pfd.	8,441	7,700	Northend, No. 2 pfd.	4,464	4,400
Major Oil, No. 7 gr.	8,441	8,400	Northend, No. 2 gr.	4,464	5,600
Major Oil, No. 8 pfd.	7,355	7,100	Northend, No. 3 pfd.	8,084	4,600
Major Oil, No. 8 gr.	7,355	8,200	Northend, No. 3 gr.	8,084	6,000
Major Oil, No. 12 pfd.	8,885	*4,375	New Ranchmen's, pfd.	100	*3,200
			Empire, pfd. (Ont.)†	....	*1,100
			Hi. Test Pete., pfd.†	....	*3,600

*Pegged price. †Acreage royalty.

Amend Royalty Regulations

With the object of keeping investors from putting their money in oil royalties without knowledge of the exact status of wells, a further change has been made in the oil offering sheet which must be presented to prospective customers under the regulations laid down by the Ontario Securities Commission.

The amended regulations state that "If from any cause drilling operations are suspended on any well in connection with which royalties have been sold to the public in Ontario, the offering sheet . . . shall disclose the fact and cause of suspended activity."

During recent months, drilling has been suspended at a number of the far north end wells in Turner Valley where the outlook for securing oil is not considered as bright as previously. Completion of these wells has been complicated by the problem of raising finances necessary to carry the individual well beyond its initial contract depth. The new regulation will allow the prospective customer to determine if any unforeseen difficulties have been encountered when an oil royalty is offered to him.

Barring sale of such royalties altogether might mean hardship to individuals who have already purchased interests in these wells and it is thought that the new regulations will serve to prevent any abuses arising in the sale of royalties in any wells which are not currently drilling.

Once a royalty is qualified for sale there is considerable "red tape" before a royalty could be disqualified. The new regulation puts the onus on the seller to state why a well may not be drilling.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

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Preston Profit Works Ahead

Reflecting expansion of production following doubling of mill capacity, Preston East Dome Mines has experienced a substantial increase in earnings.

Net profit for the first half of the year amounted to $487,312 or 16.3 cents a share compared with $848,362 or 28 cents a share for all of 1941.

Production for the first six months totalled $1,484,071 from milling 151,362 tons of ore, an average recovery of $9.80 a ton. This compares with $2,399,270 from 194,817 tons of ore in all 1941 when recovery ran $12.32 a ton.

Mill Rate Higher

Average milling rate the first six months of 1942 was 836 tons a day compared with 534 tons in 1941. It is understood the mill is now operating at close to its new capacity of 1,000 tons daily. Expansion was carried out under a special agreement with the Dominion Government and it is not expected that the new freezing regulation will be allowed to affect the current milling rate.

The company received a special tax deal when it agreed to expand operations to help supply the government with desired foreign exchange. Taxes in the half-yearly report show a reduction, amounting to a total of $79,979 or less than half the charge of $179,852 for all 1941. The company's exemption from corporation tax of 18% ends on Aug. 31, 1942.

Perhaps Canada Can Supply Your Raw Materials!

If your former sources of raw materials have been cut off, it's time you called on our Department of Industrial Development. We can advise you . . . and perhaps help you to find new sources of substitutes.

Back of this Department are years of experience and accumulated first-hand information on Canadian resources and raw materials. It is, in effect, a clearing house for such information as well as for industrial information . . . sites . . . labour . . . fuel . . . power . . . agencies . . .

This Department is at your disposal. Your inquiries will be treated as confidential and the service offered is without charge or obligation.

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ABOUT OIL!

Cheering Facts in Time of Stress

Northclonmel No. 1, being drilled as a diagonal S/W offset of Atlas British Dominion No. 2 is logging 520 feet higher than Atlas British Dominion No. 2 at the Cardium Sands Contact.

Northclonmel No. 1 Royalties per 1%		Atlas British Dominion No. 2 Royalties per 1%	
Drilling Depth 3561 feet		Daily Pro-rated, production 699 Barrels	
Currently Selling at			
Gross Royalty	$6,500	Gross Royalty	(not available)
Net Preferred Royalty	$5,600	Net Preferred Royalty	$10,500
Net Deferred Royalty	$3,000	Net Deferred Royalty	$ 6,400

Clonmel Petroleums Limited, now drilling Northclonmel No. 1 is also drilling Clonmel No. 1 in the Bruederheim-Lamont structure. Clonmel No. 1, Northclonmel No.'s 2, 3, and 4 are being financed by the sale of

CLONMEL CERTIFICATES OF BENEFICIAL INTEREST

By July 14th Clonmel No. 1 is reported, from the field, as giving continuous showings of gas from 1900 feet down to 2450 feet. Benton contact at 1850 feet. Dr. J. O. G. Sanderson, examining the cores, expects the Lower Cretaceous at 2750 feet, and expresses the opinion as to commercial gas possibilities in the top of the Benton.

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Write for Catalogue, Shaw Schools, Dept BC-79 Bay and Charles Sts. Toronto, Ont.

Montreal Brokers Cut Collateral Borrowings

Member firms of the Montreal Stock Exchange and Montreal Curb Market report a decline in collateral borrowings. As at the end of last month loans totalled $5.1 millions, a decrease of $586,214 from the previous month. Borrowings for June, 1941, were $5.6 millions.

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Here Are Gold Mining's 'Frozen Assets'

Many Properties Still Show Possibilities for Investigation After War

By GORDON M. GRANT

Will gold prospects make a comeback after the war?

Some people are gambling that they will and some buying of shares of inactive companies has been reported recently.

Obviously, showings of the individual property will determine whether a company justifies the expectation of a comeback.

Here are some of the companies that might have chances of a comeback:

THESE PROPERTIES PROVED A MINE:	THESE MINES MAY PRODUCE AGAIN:
National Malartic	Spud Valley
Renabie	Central Zeballos
Queenston	Box
Vicour	Tyranite
	Golden Gate

THESE MIGHT GET ANOTHER TRY:

Amalgamated Larder	Marbenor Malartic
Athona	Martin Bird
Brock	Orpit
Buffonta	

Canada's gold mining has a great many "frozen assets"—assets of potential value but on which it will be impossible to realize until after the war.

When war demands for labor and supplies elsewhere brought operations to a close about a week ago at all developing gold properties across Canada, there was no differentiation; the promising and unpromising properties alike were forced to suspend. Actually, many of the properties which had given the greatest degree of encouragement had discontinued operations prior to the metal controller's freezing order and relatively few new properties were affected.

While Canada has been combed over for gold mines in the last decade, practically every gold mining area in this country seems to have at least one likely gold prospect remaining. Many of these gold prospects will secure new attention after the war, it is thought. Possibly they may form a bulwark of mining activity in the postwar period.

Two Types of Assets

Our "frozen gold assets" can be divided into roughly two categories. First come the properties which have had some development work carried out on them —properties that can claim one or more ore bodies in the semi-developed category. As discussed later, a few Canadian mines have already developed sufficient ore to warrant erection of a mill while at other properties, some ore has been disclosed with indications that further work would extend the tonnage revealed.

Besides this group of properties, however, there is another group which have few if any ore showings, but which may be excellent "ore bets" due to their geological location or certain geological features.

With the depressed levels at which shares of prospect golds are selling, many issues which "have a chance" will no longer be found in the regular quotations carried in newspapers. However, more than once shares practically worthless have made a real comeback.

There are perhaps a half a dozen gold mines which under ordinary conditions might warrant production plans. The most outstanding are National Malartic, Renabie, Queenston and Vicour.

National Malartic Gold Mines, sponsored by Noranda Mines and Hollinger, would almost certainly have been carried through to production if difficulties arising out of the war had not intervened. Indicating their faith in the property, the financing interests have placed $30,000 in the company's treasury instead of the required $15,000 which was to have been paid over under the financing agreement in case of suspension of operations.

Large Tonnage at National

Work carried out underground at National showed substantial tonnages of ore in both north and south ore zones. The south zone, which was opened up first—from the Sladen Malartic 335-ft. level —shows approximately 1,200 tons of ore to the vertical foot averaging $5.75 per ton. In other words, this ore body conceivably might give over a million tons of ore to the 1,000-ft. horizon.

The north ore zone, opened up after Noranda and Hollinger entered the picture, shows roughly 250 tons of ore to the vertical foot averaging $10 a ton cut grade. The company has the alternative of either milling a large tonnage of lower grade ore or a smaller tonnage of better grade ore—when the time comes for the consideration of milling plans. A total of 1,450 tons of ore to the vertical foot might justify a mill capacity of as much as 1,500 tons a day if ore disclosures should be found to have favorable vertical continuity.

Renabie Successful

Renabie Mines, sponsored by Macassa Mines, had all the earmarks of a coming commercial producer when operations were suspended about two months ago. The management realized the great difficulties barring placing a new mine in production during wartime and that was the only reason why work was suspended.

Some time ago, it was indicated that sufficient ore had been outlined on the levels opened up at 125 to 250 ft. to return the entire expenditure of capital to date. Up to Jan. 31 a total of 501 ft. of ore had been outlined on the two levels averaging 0.36 oz. gold per ton across an average width of 8.4 ft. At that time, the full width and grade of the various ore bodies had not been determined and it is understood additions were made to the ore picture in later work.

This property, located near Missanabie, Sudbury district, Ontario, appears a real prospect for production plans after the war is over.

Queenston Results Favorable

Queenston Gold Mines, adjoining and financed by Upper Canada Mines, in the eastern end of the Kirkland Lake area, was securing favorable ore results in first underground development, when it became necessary to suspend operations some months ago.

Surface diamond drilling at this property had linked together old drill holes which had returned excellent intersections of ore and it had seemed well within the realm of possibility that an ore body of first importance might be developed underground.

Following continuation of an old shaft down to the 250-ft. horizon, work was just getting well under way at the 125 to 250-ft. levels when it became necessary to suspend operations. Some ore had been shipped to the Upper Canada mill, and part of the work carried out was covered by finances from production.

Only 1,340,000 shares have been issued of the authorized capital of 2,500,000 shares.

With most of the finances so far provided through purchase of shares by Upper Canada Mines, it appears likely Upper Canada will take an interest in any further financing after the war.

Vicour Tonnage Considerable

Vicour Gold Mines, in the eastern sector of the Siscoe-Lamaque area, has disclosed approximately 330,800 tons of ore, grading about $5.25 a ton to a depth of 300 ft.

When financing of new producers becomes possible again, it seems likely that this property will attract interest again. Further work will probably be done at depth, however, before any decision on mill capacity.

Consolidated Smelters, Anglo-Huronian and Inspiration Mining and Development Co. participated in the latest financing.

Pascalis Plans Disrupted

Not long ago, Ventures Limited had plans for placing Pascalis Gold Mines in production. It was planned to ship ore to the neighboring mill of Cournor Mining Co. Authorities were unable to make the necessary equipment available for placing these plans in effect, however, and the property was closed down for the duration.

Considerable underground development had been carried out on Pascalis, which adjoins Perron Gold Mines, and ore chances at depth appeared quite interesting. There is a suggestion that a large part of the Perron ore zone will be found on the Pascalis property at depth.

The Pascalis property is highly regarded by the Ventures people and an early resumption of work at this property seems indicated after the war.

These May Produce Again

A number of properties which have suspended production recently have shown important ore resources remaining. It is considered likely that they will resume production after the war.

Among these are Spud Valley, Central Zeballos and Tyranite. Arntfield may also resume production if financial difficulties can be worked out.

These Got Some Results

Among those properties which have disclosed a certain tonnage of ore but which have never been able to proceed with production plans are Martin Bird, Beaucourt, Gold Frontier, Pelletier Lake, Athona, Kiena and Amalgamated Larder. There have been various reasons why these properties were not placed in production in the past and it is not at all certain that it will be "clear sailing" after the war. In some cases tonnage of ore was not considered large enough to warrant production plans. In one or two instances, the outlying location of a property was against it. Arranging satisfactory financing has kept more than one out of the ranks of the producers.

In some quarters it has been suggested that the price for gold might be raised after the war. If this should happen, many properties now considered marginal could quite easily move up into the commercial category.

Drilling Looked Interesting

Marbenor Malartic, Mercury Gold Mines, Orpit and Buffonta are all properties which have shown some promise from diamond drilling carried out. Marbenor has shown the possibility of a new north break in the Malartic area. Orpit and Buffonta, in outlying sectors of the Porcupine area, have given enough encouragement to expect further work at some later date. Siscoe is understood to have contemplated further diamond drilling on the Buffonta until new regulations intervened.

A number of other properties could probably be named that have secured some encouragement in diamond drilling — perhaps enough to bring a new programme of work during another gold mining boom.

Many geological bets have been investigated and found wanting during recent years, but a number of interesting ones have remained. Further exploration of the Amalgamated Kirkland property from the Macassa workings might reveal a new Kirkland south break. The Harry Oakes property to the west of Macassa is regarded by some as perhaps the best undeveloped gold property around.

Porcupine Groups Attract

In Porcupine some of the properties surrounding the big producers are still considered to possess excellent geological chances for ore.

Preston, for instance, thinks that the Cincinnati Porcupine and Presdor Porcupine properties have real ore chances.

To list all the good geological bets would be impossible as a geological bet is itself often a matter of opinion. But it is safe to say a lot of gold mines remain to be opened up—when the time comes around to do it.

MacLeod Recovery Increases But Mill Boost Indefinite

From Our Own Correspondent

GERALDTON. — Improved recovery at MacLeod-Cockshutt Gold Mines in the six months ended Mar. 31, 1942, was a direct result of sorting out a larger proportion of waste from mill feed through magnetic separation.

A total of 200 tons of barren magnetic and iron formation is now being sorted out daily before ore goes to the mill and there appears to be no reason why the company will not be able to maintain the present higher average recovery—about $11 a ton against $9.51 a ton for the last fiscal year.

Government Wanted It But—

The company has secured delivery of most of the milling equipment to bring the milling rate up to 1,000 tons day from the present 650-ton rate but the situation has been clouded by new regulations. Gold mining tonnage has been frozen at the average of the first four months of this year but as expansion was started at the request of the Dominion Government, it is hoped the higher milling rate will be granted. A production rate of 1,500 tons daily would probably be warranted if expansion of the gold mining industry were considered desirable at this time.

Development carried out in the past year has been proving up the vertical continuity of the north and west ore bodies and preparing them for mining.

North Ore Body Results

Lateral development of the north ore bodies on the sixth and seventh levels at the 950 and 1,100-ft. horizons, has been corroborative both of the grade and continuity of the ore shown on the upper levels. The ore structures on the sixth level show 2,000 tons of ore to the vertical foot of 0.258 oz. gold per ton. The persistent rake west of the geological formation has carried the ore bodies to the west of the main shaft crosscut with a length of 900 ft.

The seventh level is not yet as far advanced as the sixth but so far shows 1,726 tons of ore to the vertical foot, grading 0.273 oz. gold per ton, in a series of nine ore structures with 50% of the tonnage contained in a body located centrally and to the north.

This level shows characteristic folding and distortion of the iron formation for more than a thousand feet.

Open West Bodies Further

As reported previously the west ore bodies on the third level west show 2,360 tons of ore to the vertical foot grading 0.260 oz. gold per ton, with drilling indicating 2,467 tons of ore to the vertical foot grading 0.267 oz. below the level.

Drift development of the west ore bodies is now proceeding from the No. 1 shaft. Drifting in ore has been carried 375 ft. at the 4th level. The structure shows widths of 10 to 15 ft. to the east end, showing progressive increase in widths and grade to the west.

Recent drilling north and south from the drift has returned ore widths of 33 to 52 ft. of grade well above mine average. Successive horizontal holes show a high frequency of heavy gold concentration in the altered iron formation with coarse gold occurring freely. The ore structure occurs in heavy sulphides with higher percentages of arsenopyrite from which a high-grade concentrate will be produced.

Expenditures to Come Down

With the No. 1 shaft and other major development projects completed, it is expected that expenditures will be on a more normal basis in the future. The operation is now in the stage where a considerable amount of ore can be made available for milling without carrying out a great amount of further work.

Diamond drilling is now planned to the south from No. 1 shaft to explore for the depth continuity of the original or south ore structures. These are stated to occur along the axes of an east-west striking porphyry mass, raking flatly to the west. The property was brought into production from the mining of these ore bodies, stoped down to the third level.

Profits last year were equal to 17.8 cents a share. In spite of a higher average grade of mill feed, operating profits in the first six months of this year were narrowly lower than the average rate of last year. Lower costs from a lower rate of development should make themselves felt in the second half of the year, it is believed.

Mining Concentrates

Anglo-Huronian Ltd. has declared a second dividend of 10 cents a share payable July 31, 1942, to shareholders of record July 17, making a total of 20 cents a share for this year, compared with 10 cents in each of the two preceding years.

• • •

British Manganese Mines sold 30,000 shares to Louis Cadesky on June 5 at 10 cents a share payable 10 days after qualification with the Ontario Securities Commission. An option was also granted on 300,000 shares as follows: 70,000 shares at 10 cents a share; 100,000 shares at 15 cents; 100,000 shares at 25 cents and 30,000 shares at 50 cents, to be paid for at the rate of 10,000 shares monthly. Shares were qualified for sale on June 12. The company has an authorized capital of 500,000 shares of which 168,119 shares are issued including 166,666 escrowed shares to vendors. A royalty of 50 cents a ton for all ore or concentrates shipped is payable C. Allison Peck of Hillsboro, N.B.

• • •

Bobjo Mines is reported to have secured indications of oil in drilling its No. 1 well on its extensive acreage in Saskatchewan. Drilling started early in June and with the well now down 2,000 ft., preparations are being made for a test. The Bobjo concession covers an area extending 100 miles west from the Manitoba border and for a north-south distance of approximately 60 miles. Considerable geological work was completed in 1941.

• • •

Brock Gold Mines is keeping its plant in shape so that operations can be resumed on short notice, it is stated in the annual report. Work was suspended April 25, 1941, due to the shortage of labor and world conditions. President R. R. Brown states that while gold values were encountered in favorable sections of the veins, they proved to be local and no definite ore shoots were opened. It is pointed out, however, that the underground plan of work was never completed due to the curtailment of operations.

• • •

Clifton Consolidated Mines granted an option to Investors Advisory Counsel on June 15 as follows: 200,000 shares at 5 cents a share payable 120 days from date of agreement; 200,000 shares at 7½ cents a share payable within 210 days; and 600,000 shares in blocks of 100,000 each at 10 to 40 cents a share, and 44,000 shares at 50 cents a share. By an agreement of June 16, Henry J. Martin, trustee for certain shares donated for treasury purposes agreed to sell to Investors Advisory Counsel 100,000 shares at 3 cents a share payable 630 days from date. The company has an authorized capital of 2 million shares with 956,000 shares issued including 600,000 shares of vendor stock in escrow.

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Dawson Gold Mines is having its property sold by Canadian Credit Men's Trust Association, following seizure in Nov., 1940, after default on the mortgage. Proceeds of the property are expected to be sufficient for liquidation of taxes with a small distribution for creditors.

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Ottawa plans intensive drilling of the Dublin Gulch area, Yukon Territories, an Order-in-Council tabled in the House of Commons, reserving the area for the Crown, reveals. The government is after scheelite, the ore of tungsten, which is said to occur in that vicinity. The scheelite content of the ore can only be determined by drilling, it is stated, and it is considered in the public interest that the area be prospected intensively by the government.

• • •

Pilot Molybdenite Mines granted an option to Herbert L. Robertson on June 5 as follows: 100,000 shares at 7½ cents a share payable by Feb. 1, 1943; and 200,000 shares at 10 cents a share payable by Dec. 1, 1943. Authorized capital of the company is 700,000 shares of which 396,000 shares are issued including 270,996 shares in escrow.

• • •

Queenston Gold Mines property in the east Kirkland Lake area should be reopened as soon as conditions permit, it is stated by resident manager R. J. Henry in the report for the year ended April 30. Operations were suspended April 15 due to labor shortage and the knowledge that further development of gold prospects was not being encouraged by existing conditions and finance. The mine is being kept dewatered.

• • •

Republic Tungsten Mines granted an option to Armstrong Forsyth & Co. on May 27 as follows: 40,000 shares at 5 cents a share payable by July 15, 1942; 460,000 shares at 6 cents a share payable by Dec. 25, 1942; 100,000 shares at 11 cents per share by Mar. 1, 1943; 100,000 shares at 16 cents a share payable by April 1, 1943, with balance at 21 to 96 cents a share, all payable by Mar. 1, 1944. Authorized capital of the company is 3 million shares of which 1,200,000 shares were issued to vendors and are held in escrow.

• • •

Gold Belt Mining Co. may be able to pay another dividend of 2 cents a share this year, president A. E. Jukes informed shareholders at the annual meeting held in Vancouver.

DONCHESTER WINDS UP

Notice of application for winding up and surrendering the company's charter is given by Donchester Mines in the current issue of the Canada Gazette. The company's property was sold some time ago to Beattie Gold Mines (Quebec) with one Beattie share issued for approximately each six Donchester shares held.

North Drilling Moves Slowly

The pace of drilling in the north end of Turner Valley extension area has slowed to a snail's pace. While two further wells—Major's No. 7 and 8—are completing close to present producers, only the odd well in the unproved area to the north is actually drilling now.

Major No. 12 is being continued as a key north end test. Down over 8,850 ft., the well is still in the upper Blairmore area, apparently further confirming the view that north end extension wells are going to be much deeper if they secure commercial production at all.

This drilling is being done under an additional drilling contract and results at this well will have an important bearing on the ultimate fate of the Major 5, Major 13, Major 14 and other wells still further north.

July 7, all the wells north of the Major No. 12 were standing apparently awaiting results of completion of other wells. This included the Inland Sarcee well, standing at 7,513 ft., on the Sarcee structure which has been considered by many as a possibility for further extension of Turner Valley northward.

What will eventually become the fate of those wells, which geological formations at other wells indicate are not worth completion to their contract depth, still forms a problem. By not completing these wells to the depth contracted for, it might be possible to rebate a certain portion of the money to subscribers for the oil royalties. A lot of thought has been given to possible calling of meetings of royalty holders to determine future procedure.

In some instances, consideration has been given to special treatment for royalty holders of north end wells so that they will have a chance to retrieve any losses they may suffer. It has been thought that terms might be arranged for participation in wells to be drilled on proven acreage in the vicinity of large producers. This is all in the exploratory stage, however, and there is no guarantee that anything will be done along these lines.

Any further wells drilled by independents, until the north end situation is worked out, will probably be located chiefly around the Atlas No. 2 and No. 3 well areas and of the Major 4 and Major 3 wells. From present indications, it would seem that new wells will have to be started at a greater rate if production of Turner Valley is to be maintained over a period.

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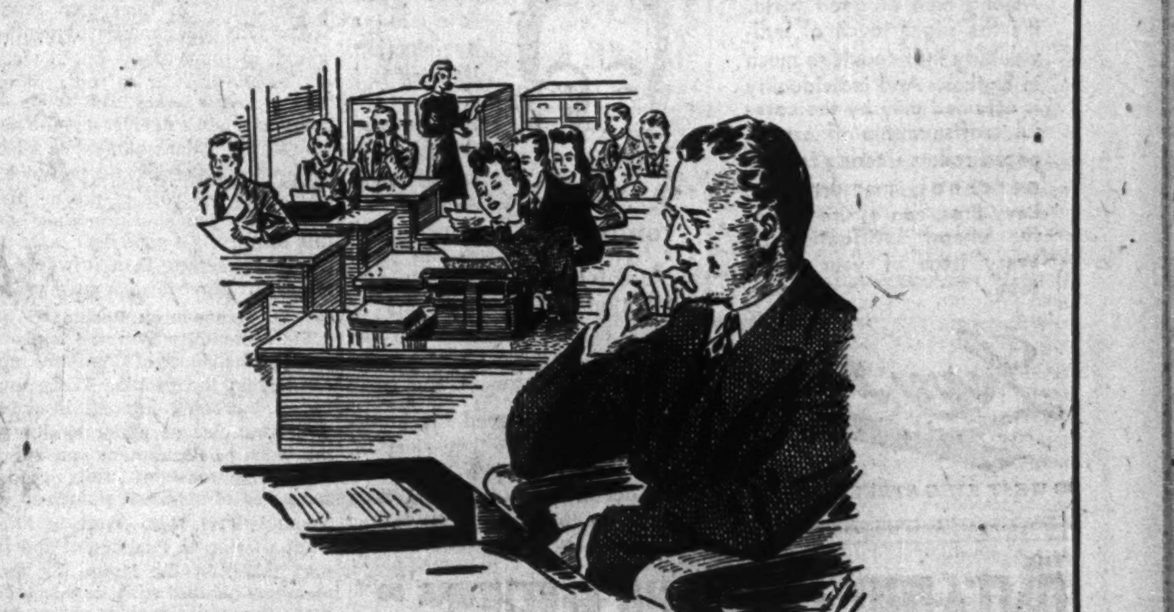

PRE-WAR, WAR or POST-WAR PERSONNEL

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London Calling

by Adelphi

LONDON.—**"It is the march of events."**

Those were the words with which Trotsky opened his memoirs . . . sonorous weighty words. Just now in London the march of events is like Ravel's "Bolero." It is like footsteps clomping on the roads and beating against our brains. Shock after shock, bad news following bad news, a radiant golden summer sky, girls in light clothes and the parks crowded with lovers, soldiers, sailors, Sebastopol falls, the Empire is in dire danger and the Empire Cinema in Leicester Square is crowded with people watching Mickey Rooney . . . Rommel 70 miles from Alexandria, another Czech village exterminated . . . Parliament in an all-night debate, shipping losses bad, Laval trying to sell out to Germany . . . Churchill walking to the House with crouched shoulders and his jaw protruding pugnaciously.

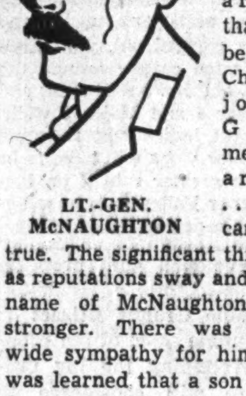
That is London at this hour, dour, grim, heavy with fate. In such a setting it was good to run into Sir Reginald Dorman-Smith, the good-looking young M.P. who went out to be the governor of Burma a couple of years ago. Despite the harrowing ordeal he has undergone his eyes sparkle with excitement when he recalls the exploits of our soldiers and their leaders. "They were terrific!" he said. "They fought like inspired devils. Alexander (the C-in-C) never rested or slept. Some day when they know about it the British people will be thrilled by the story of Burma."

Dorman-Smith is the one bright spot in London at the moment.

* * *

McNaughton Discussed

In all this cauldron the name of General McNaughton keeps coming to the surface. There are rumors that he will be made C-in-C of the combined British and American Expeditionary Force. There are rumors that he will be asked by Churchill to join the Government. There are rumors . . . but they can't all be true. The significant thing is that as reputations sway and crash the name of McNaughton becomes stronger. There was a nationwide sympathy for him when it was learned that a son in the air force was "missing."



LT.-GEN. McNAUGHTON

* * *

Columnist to Commons

With such a sombre background of events political London received both a jolt and a diversion when Tom Driberg, a Daily Express columnist, heavily defeated the Government candidate in a bye-election. Driberg is a curious fellow, caustic, Oxford educated, intolerant of games and in no way the usual type that constituents like. Undoubtedly the fall of Tobruk helped him, but his majority was so large that he must have been a victor in any case.

TOM DRIBERG

When he announced his intention to contest the bye-election, Beaverbrook had The Daily Express declare that it would take no part in the affair, that it approved of its staff playing a part in public life but disapproved of Driberg's policy. After he had been returned The Express again declared that it was not in sympathy with Mr. Driberg as a politician. Yesterday Driberg wrote in his column a description of his first day in Parliament and ended up by stating: "My political life is quite separate from my work on this newspaper, which is just as well, as I disagree with much of what is published in The Express."

On any other newspaper this would mean mutiny but The Express is a law unto itself. Beaverbrook is a "card" (as they say over here) and delights at human eccentricity and exhibitionism.

But when is the flood from Fleet Street to Westminster to stop? Three weeks ago Cyril Lakin, assistant editor of the Sunday Times, was elected to Parliament. Thus there are now Vernon Bartlett, Beverley Baxter, Sir Percy Hurd, A. P. Herbert, Tom Driberg, Cyril Lakin, Sir Stanley Reed, Robert Bernays, Leslie Hore-Belisha and Aneurin Bevan, while Major Aston (owner of The Times), Lady Astor (owner of The Observer) and Seymour Berry (son of Lord Camrose of The Daily Telegraph) represent the proprietorial hierarchy.

In France it was always the custom to combine journalism with politics. In Britain the two professions were traditionally separated save in a few isolated cases like T. P. O'Connor, John Buchan and the immortal Gibbons, who was an extremely dull M.P. but wrote that topical book "Decline and Fall."

* * *

"A Hard Man"

Every now and then there dies in Britain a man whose career is an extraordinary commentary on the complex democracy of these islands. To the ordinary man the announcement that Lord Glanely had died at the age of 74 would mean nothing more than the passing of a rich shipowner and a famous figure on the turf. But the very manner of Glanely's death was in keeping with his whole life. He was a hard man, uncouth of speech and one who was said to have been loved by no one save his wife who died in 1930. He had not an "H" in his vocabulary, yet he lived to see the day when he was elected to the Jockey Club. So lacking in aspirates was he that once at a dinner when the guests were discussing air racing he suddenly said: "'oo wants to see a lot of silly dogs chasing 'ares when they could see 'orses instead."

* * *

Lyttleton Proves Flop

This afternoon Churchill rose in his place to make the speech that means so much. He secured a big vote of confidence but I doubt if he can carry his government much longer in its present form. Stafford Cripps is growing restless. Oliver Lyttelton has proved a parliamentary failure.

It isn't only in the desert that things are happening.

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Can. Industries

I would like to have your opinion on the B stock of Canadian Industries Ltd. I am more interested in the long term rather than the short term possibilities for the company.

—

Canadian Industries position is somewhat difficult to appraise. Just now the company is extraordinarily active on war work. The greater part, if not all, of this special work will disappear when the war ends. On the other hand, this should not unduly effect the position of the company because the management has been far-sighted enough to separate its wartime business from its peacetime operations.

Consequently it can revert to the latter without undue dislocation of operations. The long-term possibilities of Canadian Industries Ltd. continue favorable.

Bell Telephone

I have in mind making a small investment in the common stock of Bell Telephone Co. of Canada and would like to have your opinion on this security.

—

Bell Telephone Co. of Canada's common stock has always been highly rated as an investment medium. The company controls largely the telephone business in Quebec and Ontario. In addition it has a substantial interest in the Trans-Canada Telephone System, New Brunswick Telephone Co. and other properties.

While the volume of business handled continues to increase, one of the problems facing the Bell Telephone Co. is the matter of taxation. The very sharp increase in corporation taxes has tended to offset the increase in operating revenues and to narrow the margin between net income and dividend requirements.

For the current year the company, it is expected, will be able to show the dividend fully earned, despite the higher taxes.

C.P.R.

Would be be kind enough to let me have your views on the common stock of Canadian Pacific Railway. In view of the improvement in earnings do you think there is any likelihood of capital appreciation?

—

C.P.R. common stock is favored in investment circles, not only because of the improvement in earning power but also in view of the substantial reduction made in the funded debt of the company. There is no general expectation of a resumption of dividends on the ordinary shares. On the other hand, it is anticipated the management will utilize surplus earnings to reduce the funded debt and thus improve the position of the equity holder.

While the railways are enjoying a period of prosperity, the basic problems are by no means solved. The return to peacetime conditions will bring new worries for the railways. While there is little immediate expectation of a dividend the improvements outlined appear to be adding to the intrinsic value of the shares.

What's Wrong in Parliament?

M. P. Points to Constituencies, Suggests Remedy

The following challenging article has been written for The Financial Post by an outstanding figure in Canadian political life. He is not now a member of the House of Commons and the work he is doing unfortunately prevents using his name.

By MR. "X"

In the issue of June 20 The Financial Post quoted Mr. Ilsley as follows: "There is something wrong with the House of Commons." Then it asked this question of a number of prominent citizens: "What would be your comment?"

Ten replies were received. They were good replies. They came from intelligent men. They differed widely in their point of view. I am inclined to think that if we had a Parliament composed of these ten men, or to bring it closer to reality, a Parliament of two hundred and forty-five men holding views similar to those expressed by the ten, Parliament would not be very much changed. It would have its partisans. There would be considerable business competence, quite a bit of intelligence, a press which would print curious extracts from their speeches, and about one thousand men in each constituency who would feel that they could do a lot better than their chosen representatives.

Let us now return to Mr. Ilsley's question and try to find the answer. Some of those who replied wanted a Parliament in their own image. That might be a good Parliament—it would, in some cases—but it would not be the answer to the problem. This is a democracy, and if we are going to retain a democracy, the men who sit in Parliament must be selected by some democratic means and elected by the vote of the people—that is the democratic method—and this country is a good deal safer under a democracy than it would be under any other form of government.

Depends on People

Fundamentally then, the improvement of the House of Commons must come from the people. There must be an increased interest in public affairs, a clearer understanding of the work of Parliament and an enormous increase of study groups, composed of men and women in the constituencies, who want to knew what goes on in Parliament and the part taken in the House by their members. If that spirit is developed then the individual member will realize that he lives in the eye of his masters and the seat-warmer type, the "bitter lads" who want to hurt rather than help, and the hopelessly partisan, will gradually be replaced.

This calls for a new type of member and he is mighty hard to get. He must be capable of analyzing an economic question. That is only one end of it. A detached problem may be analyzed but, in this case, the conclusion reached must be considered in the light of varying conditions throughout the nation—a much more difficult task. He must be able to state, in the House and in the country, his point of view. He cannot be a weather vane, switching with each change of the wind, for his is the knowledge, he is in possession of the facts. He must make his services worthwhile not only as a representative but as a leader.

Get Different Men

A more intelligent constituency will develop a different type of member. The old-fashioned political stump speech, a savagely partisan affair, should pass away. Constituency meetings should be more or less conversational—those present asking questions, the member answering. The whole object being to draw out, and give expression to, the opinions of the people, increase their interest, giving them a clear conception of the problems involved, seeking their help and guidance, assisting them to understand.

Now let us glance at the difficulties which a new member faces. Assume, for the moment, that he is a lawyer, physician or farmer—most of them are one or the other. He has never given much study to the problems of the nation. The House is new to him. He feels he is a **Member of Parliament. He may** even believe that the Parliament is waiting for his words. What happens? He finds that he is woefully deficient in definite knowledge. He is no longer a "boy wonder," even in his own eyes. The issues which to him loomed large, have faded to pin-point proportions. Letters come in to him from his constituents wanting this, that, and something else. Rarely will he receive a letter helpful to him in the real work of an M.P. He now finds himself in a position pretty close to a cypher. He is one two hundred and forty fifths of the House of Commons.

What is he going to do about it? What are we going to do about it? That's better! The first thing is to try to select more intelligent members, men who can think and reason. That is why I suggested more interest in the constituencies, more discussion. The constituency mind must be conditioned before it will bring forth the right type. Then some assistance must be given to development of M.P.'s after they are elected.

Constituents' Job

How is this to be done? By the constituents, as I have previously suggested, and by the development at the House of Commons of a competent secretarial staff which will help the member in the study of the problems which confront him. This does not mean that these men would write the speeches for the members. They should be expressly forbidden to do that. It does mean that they would be able to direct their efforts in search of information, direct them to fundamental sources, save them an endless waste of time. Suppose the problem in which the M.P. is interested is postwar reconstruction. It would be quite possible for such an organization to give the enquirer helpful information, a complete outline of the problem, the different points of approach. Something of this is done now by the different departments, the library of the House of Commons, and by other members, but the form of organization I suggest would co-ordinate the work, make it vastly more virile and greatly assist the member in his tasks.

Need Partisanship

The next problem is partisanship. What is a partisan? An adherent of a party or cause, usually an unreasoning one. The first clause of that definition is quite all right. Every man should be an adherent of a party or cause. The trouble lies in the unreasoning type of partisanship. Partisanship creates interest in elections. Conditions would be worse, not better, if we had no partisanship. The trouble lies in the fact that constituents and members accept ready made convictions, formed on limited knowledge rather than face the difficult task of searching for truth.

One of those who responded to the recent query in The Financial Post came pretty close to this point. Here is his statement. I have underlined the more important point of his comment:

"The only adverse criticism one has to offer is that party affiliations are too strongly emphasized for the country's good, while **interchange of information and opinion between the members and the rank and file of their constituents should be improved.**"

He then went on to say that the House of Commons served the people well. It could do better if this suggestion were carried out.

The real need of Parliament is greater independence in the individual member. A policy is not sound merely because it is accepted by a great political party. Circumstances change, views must alter. In a true democracy there must be fluidity of thought. Changes of this kind would tend to bring the views of the parties into closer relationship with the thought of the country. The present attitude may, at times, leave the party far behind **the views of the** constituencies. It leads to the weakening of the pulse of democracy, the hardening of the political arteries.

Members should be explorers always—constantly in search of information — always questioning: "Would this help?" "How can we overcome this economic difficulty?" "What has been the result of this or that past action?" The questions are endless. The M.P.'s should be as inquisitive as an eight-year-old child, and never, never, under any circumstances, close their minds to the impact of new facts and new conditions. The House of Commons is not wholly without that spirit. It exhibits itself in Committee more frequently than in the House. A committee, however, is formed to undertake a search for facts, so the attitude is different. The House is a place for expressing convictions. It all gets back to one thing—the reform of the House of Commons must come from the election of better Members and that can come only from a more intelligent general interest in political and economic questions. As a nation, we like to select our Members by accident, forget about them when elected and trust to Providence to give us, in exchange for this scant effort, a perfect Parliament. Try the same means in running a business and the answer would have to be written in the bankruptcy courts. Unless we show more interest, we may write the story of our failure in the House of Commons.

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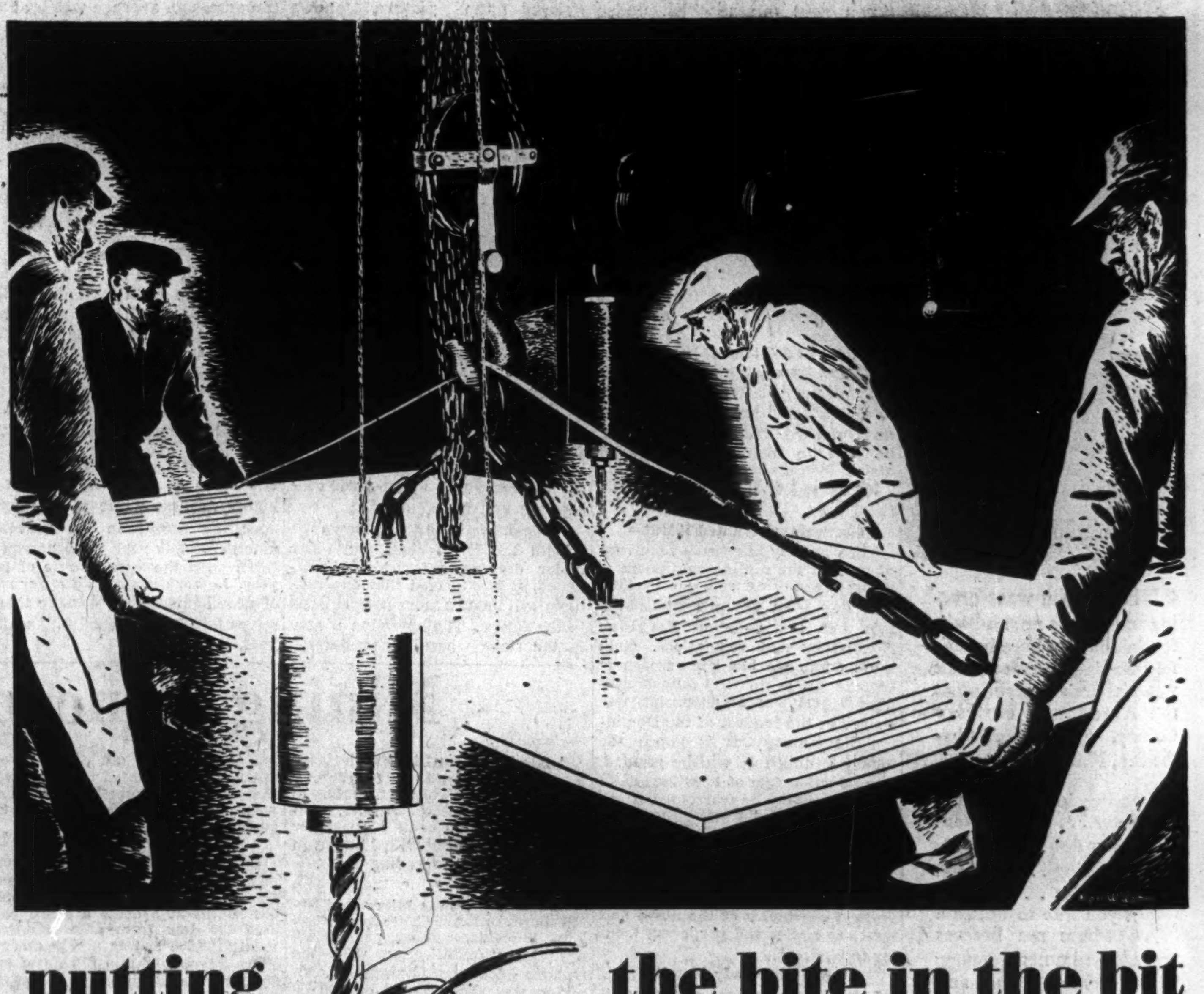

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